

This 2008/09 Annual Report was produced from the Strategic Unit: PMS

It reviews all performance related activities in accordance with the requirements of the Local Government: Municipal Systems Amendment Act, 2003 (Act 44 of 2003) and the Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003) for the period 1 July 2008 to 30 June 2009.

Information contained in the report was provided by the various directorates.

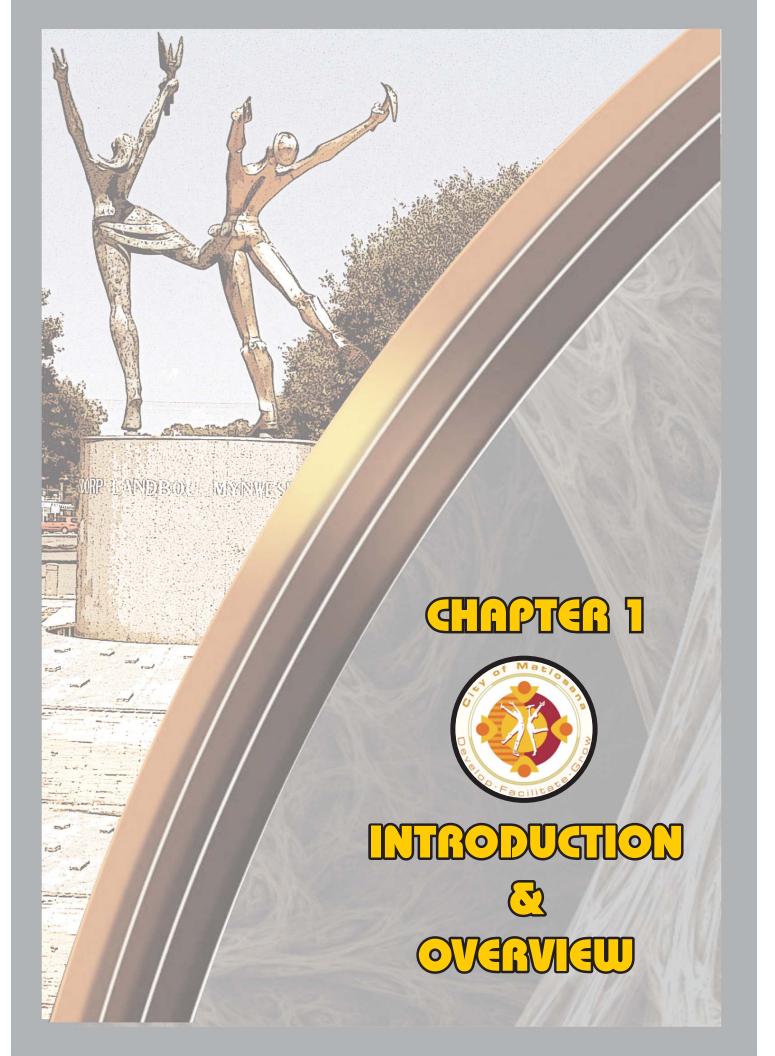
Every effort was made to ensure that facts are correct.



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EXECUTIVE MAYOR'S FOREWORD

Our journey since the 2006 Local Government Elections was built around the magic words of South Africa's first democratically elected President (Tata Nelson Rolihlahla Mandela) during his State of the Nation Address in May 1994 wherein he urged us to seize the time to define for ourselves, what we want to make of our shared destiny regardless of the accumulative effects of our historic past.



Indeed we defined and mapped out the journey to our shared destiny through Agenda 16 bonded by the spirit of ONE TEAM with ONE VISION and the resolve that "What we design is what we shall implement".

Agenda 16 has been and is still our microcosm of a vision that depicts Matlosana as a well run City through democratic and good Governance where Economic Growth and Financial Sustainability and Quality Municipal Service Delivery will place it amongst the top five Local Municipalities in South Africa by 2016.

Our collective prognosis of the journey at the time as political leaders, management, broader community and strategic partners was informed by a common understanding that in achieving our Constitutional mandate, the ongoing process of transformation, organizational development and its inevitable contradictions required of us to break new grounds that will create new and unprecedented set of opportunities and challenges.

Indeed during the financial year under review important milestones were evidently achieved, against the backdrop of global economic recession, poverty, underdevelopment, unemployment, population growth, HIV/Aids, illiteracy, global warming, crime, infancy and youth mortality rate, country-wide community protests and despondency on government delivery machinery, because we remained steadfastly committed to the belief that where there is a will, there is a way.

The milestones achieved amongst others are:

- Robust policy development and management processes and practices that encouraged the implementation of IDP within a sound financial management system that is informed by and aligned to our Ten Year Strategic Framework (Agenda 16).
- The Mayoral Ward Focused and broader road shows to interact actively and consistently with our broader communities and stakeholders remained an umbilical cord between our present and our destiny.
- ♣ We reached our target of 82.34 % of payment of rates and services.
- Our debt recovery stands at 50.35 %.
- Despite an increase in our indigent register the indigent households received 50kwh of free electricity.
- Households in Matlosana are currently receiving 6kl of water a month free of charge.
- We continued with installations of high mast lights also as crime combating intervention.



MIG and own Council funds were dedicated to the following Capital Projects:

- ♣ 59% was spent on the construction of new roads, resealing of existing internal roads and the implementation of non-motorized transport projects.
- 10 % was spent on sanitation in terms of which sewer connection was done to each erven linked to a flushing toilet facility.
- **↓** 18% was spent on water services and upgrading of water networks, mechanical, electrical equipments and pump stations.
- ♣ 6% was spent on electrical services covering amongst others upgrading of electrical infrastructure to meet the capacity needs of Matlosana.
- ↓ 4 % was spent on the bucket eradication.
- ♣ 3% was spent on social amenities.

In conclusion, it is evident that we have achieved more and that more needs to be done in eradicating the unacceptable poverty levels facing our people and to deal with service delivery backlogs.

SIYA QHUBEKA - ONE TEAM ONE VISION.

I thank you all.

EXECUTIVE MAYOR CLLR TS DODOVU



OVERVIEW OF THE MUNICIPAL MANAGER

By definition a municipality is composed of Council, Administration and the Community.

Flowing from the above definition, working together for a common objective becomes an unavoidable imperative for **Council** who is a policy maker. **Administration** which in addition to being policy implementer is also responsible for factual and substantiated input into policymaking and the **Community** whose needs and aspirations influences council policies and the ultimate deliverables within the resources constraints and latitudes of council in particular and government in general.



In line with Agenda 16, which is underpinned by the philosophy of ONE TEAM ONE VISION towards the realisation of the common objectives as espoused in the Executive Mayor's foreword, the Executive and Administrative leadership of council embraced, during the year under review, a dynamic and progressive approach that accommodated innovation, professionalism and ethical conduct in service delivery and monitoring thereof.

It is during the year under review that we succeeded in achieving, inter alia, the following in our guest to do things differently and better:

- Consolidation and ring-fencing of MIG allocation for better monitoring and for ensuring that the grant is utilized for the purpose for which it was intended.
- Review of our Performance Management System to reflect clear objectives and Key Performance Indicators with specific, tangible and measurable targets and time frames.
- Forward planning in implementation of MIG programmes to avoid recurrence of roll-overs in the ensuing financial years.

From service delivery perspective the greatest allocation was towards Roads and Storm water as dictated to by needs identification through community participation during the IDP process and this amounted to R79 million which constituted 59% of the total infrastructure capital budget.

When coming to economic development the role of council is to create a climate that is conducive to Local Economic Development. The value of building plans applications for the commercial sector during the year under review amounted to R103,8 million which reflects a massive growth of 263% in relation to the figure of R39,4 million for 2007/08 financial year. This indeed augers well not only for job creation and the concomitant poverty alleviation, but also for enhancement of financial viability of our municipality through the broadening of the tax base.

From a going concern perspective our municipality is undoubtedly performing well and boast a liquidity ratio of 1.8:1 compared to the general accepted norm of 1:1. This in a nutshell means that for every one rand short-term debt/liability the municipal had current assets (excluding inventory) worth R1.8 that could be converted into cash during the year under review.

Worth noting also is the fact that out of a total of 19 National Fresh Produce Markets in South Africa, Klerksdorp National Fresh Produce Market was rated 10th position with a turnover of R235 231 212 in June 2009 which reflect growth of 106,6% compare with a figure of R220,579,649 in 2007/08.



In conclusion it is important to emphasise the fact that the above achievements notwithstanding, we are quite aware of the following enormous challenges that faces our municipality:

- > The huge service delivery backlog with regards to roads and housing.
- > The need to enhance good governance, accountability and ethical conduct.

To overcome these challenges we require nothing less than our individual and collective dedication, decisiveness, innovation, commitment and hard work in serving our community in particular and our country in general. To this end, the engagement of professional service providers to assist in addressing unacceptable audit outcomes and the transfer of skills in the process is one of the steps that were taken during the year under review as part of the bigger objective of attaining unqualified Audit reports by 2014.

TOGETHER WE CAN - ONE TEAM ONE VISION

M.M. MOADIRA

MUNICIPAL MANAGER



MISSION

EXCELLENCE IN CONDUCTING THE AFFAIRS OF THE CITY

EXCELLENCE



GROWTH

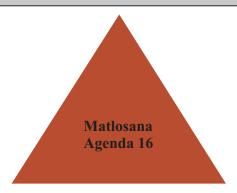
ATTRACTING INVESTMENT AND STIMULATING ECONOMIC GROWTH

DELIVERY

BY MEETING THE SERVICE
DELIVERY MANDATES AND IMPROVING
THE QUALITY OF LIFE OF OUR PEOPLE

Vision

MATLOSANA IS A WELL RUN CITY THROUGH GOOD GOVERNANCE, WHERE



ECONOMIC GROWTH AND PROSPERITY

AND QUALITY MUNICIPAL SERVICE DELIVERY

PLACE IT AMONGST THE 5 LEADING LOCAL MUNICIPALITIES BY 2016



1. INTRODUCTION

During the recent past; the City of Matlosana has fast tracked the provision of basic services to the previously disadvantaged communities. The Council is continuously reviewing alternate service delivery mechanisms in relation to basic services in order to improve service delivery.

The City of Matlosana is still doing the best in service delivery challenges; even though it is hampered by infrastructure challenges. Most of the infrastructure is old and ageing and backlogs; population growth; economic climate and state of developments are still facing the municipality.

Poverty and unemployment remains are still high and the municipality must bring innovative ways to create partnerships to create formal and informal employment within the city.

The municipality keeps to its objective of excellence in accordance to affairs as per the Agenda 16, strategic document.

The 2008/09 Annual Performance Report deals with performance highlights of the Council, performance on the national key performance indicators, backlogs on service delivery and the functional area service delivery of the City of Matlosana for the period 1 July 2008 to 30 June 2009.

2. MUNICIPAL OVERVIEW

Geographic Profile

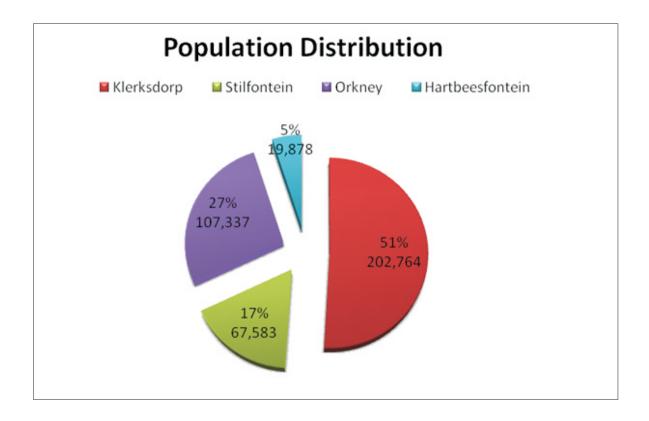
Matlosana Municipal area comprises a total area of 3,3162 km² and is located in the south-eastern part of the North West province. The municipal area covers the central part of the Southern District municipal area and is bordered by Tlokwe (Potchefstroom) municipal area in the East; Maquassi Hills municipal area in the West; Ventersdorp Local Municipality in the North-East and the Free State province in the South. Matlosana Municipal area is also situated on the N12 Treasure Corridor (SDI) linking the municipal area with Gauteng province in the East and the Northern Cape in the South West.



Demographic Profile

According to estimates based on STATS SA / GLOBAL INSIGHT the total population of Matlosana is estimated at 397 562 people of which 88,2% is urbanized and 11,8% rural. The largest concentration of people in the Dr K enneth Kaunda District Municipality is situated in the City of Matlosana (44.1%).

The population growth rate in the City of Matlosana declined significantly from 1.1% in 1997 to 0.5%. A possible reason for this might be due to the increase in the HIV incidence rate in the area over the period, as well as a result of inter-provincial m igration. The average annual population growth rate in the City of Matlosana is 0.9%.







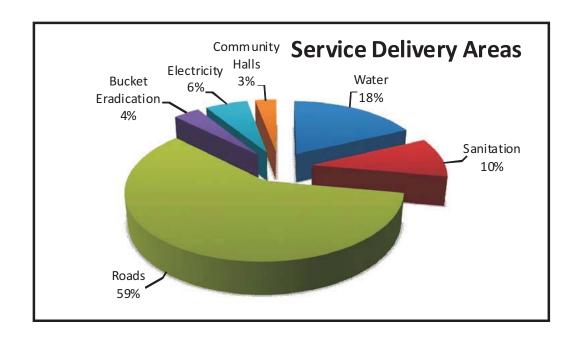
1. COUNCIL'S PERFORMANCE MEASURED AGAINST THE FIVE KEY PERFORMANCE AREAS (KPA's)

The capital budget and the IDP are aligned to the City of Matlosana's Agenda 16 and performance management. All projects in the capital budget support one or more of the focus areas of the Agenda 16 which addresses the relevant deliverables and milestones set. All projects have been referenced to the directorates Key Performance Area's (KPA's) contained in the IDP and the performance contracts of section 57 employees (municipal manager and directors), monitored through the quarterly reviews in the Service Delivery and Budget Implementation Plan (SDBIP).

The budget is aligned with all IDP and capital projects to illustrate the direct link to the objectives, as set out in the IDP. The projects were thoroughly deliberated upon in the IDP / PMS Steering Committee, Representation Forum and Portfolio Committee meetings. All projects based on community needs are prioritized and defined in the IDP.

The following table indicates the MIG and council funded service delivery areas:-

ALLOCATIONS PER SERVICE DELIVERY AREA			
SERVICE DELIVERY AREA	R		
Water	24,115,328		
Sanitation	12,870,600		
Roads	79,000,000		
Bucket Eradication	5,000,000		
Electricity	8,075,000		
Community Halls	4,000,000		
TOTAL	133,060,928		



KPA 1: BASIC SERVICES DELIVERY

DIRECTORATE INFRASTRUCTURE & UTILITIES

CIVIL ENGINEERING

<u>Water</u>

All households in Matlosana area currently qualify for the first 6 kl of water a month free of charge.

NATIONAL KEY PERFORMANCE INDICATOR	2006/07	2007/08	2008/09
The percentage of households with access to basic level of water	99,8%	100%	98,53%
Number of households with access to basic level of water	94 585	115 985	125 675
Number of backlogs	0	0	1 023* (1,47%)

^{*} The reason for the increase in backlogs is due to the increase in rural settlements in farm areas.

Council adopted the minimum level of a water service to be a water connection in each erven, instead of a 200m communal standpipe.

PROJECT	BUDGET R	EXP R	COMMENTS
Upgrading of Mechanical & Electrical			To be
Equipment at Pumpstations: Ellaton,	10,425,000	42,010,346	completed by
Mines Road, Mooi & Brooke			September 2009
Khuma Bulk Water Supply Phase 2: 2ml			To be
Pressure	11,073,278	4,064,673	completed by
Pressure			September 2009
Ungrading the worn out water network			To be
Upgrading the worn-out water-network in the CBD Phase 1	6,250,000	1,504,826	completed
III the CBD Filase 1			during 2009/10
Pofurhishing of the Khuma Droper			To be
Refurbishing of the Khuma Proper water network	1,380,560	484,790	completed
water network			during 2009/10
			To be
Provision of Khuma bulk water supply	8,382,180	5,059,777	completed
			during 2009/10
Polining of Van Bioboock water main		· · · · · · · · · · · · · · · · · · ·	Funds re-
Relining of Van Riebeeck water main	1,300,000	0	directed to
supply			finance Ellaton



Upgrading Hartbeesfontein water supply	121,910	115,765	Completed
Upgrading of a telemetry control	416,970	225,269	To be completed during 2009/10
Klerksdorp Rural Water Supply	110,000	0	Funds re- located



Upgrading of Mechanical & Electrical Equipment at Pumpstations



Khuma Bulk Water Supply Phase 2: 2ml Pressure

Roads

Projects

♣ Internal Roads Projects

PROJECT	BUDGET R	EXP R	COMMENTS
Paving of Taxi Routes: Jouberton Approximately 4km	4,146,830	3,386,278	95% Completed
Paving of Taxi Routes: Kanan a: Phase 1 Approximately 5,9km	4,775,570	4,270,641	80% Completed
Paving of Taxi Routes: Alabama: Phase 1 Approximately 2,0km	6,541,514	1,875,300	Completed
Paving of Taxi Routes: Khuma: Phase 2 Approximately 5,0km	4,658,260	3,813,135	Completed
Paving of Taxi Routes: Tigane: Phase 1 Approximately 7,0km	4,494,877	4,494,871	Completed
Paving of Taxi Routes: Kanana: Phase 2 Approximately 3,0km	5,000,000	3,571,326	90% Completed
Paving of Taxi Routes & Storm -water Drainage: Jouberton, Kanana, Khuma, Tigane & Alabama Approx (26.8km)	46,525,236	23,940,370	To be completed by March 2010
Paving of Taxi Routes & Storm -water Drainage: Alabama Additional Scope	6,541,514	1,875,300	75% Completed
Paving of Taxi Routes: Khuma: Phase 2 Approximately 3.0km	4,943,000	4,557,943	45% Completed



Paving of Taxi Routes: Khuma: Phase 2



Paving of Taxi Routes: Jouberton

♣ Non Motorized Transport Project

PROJECT	BUDGET R	EXP R	COMMENTS
Upgrading of Main Taxi Rank in Jouberton at Hospital	2,345,920	1,217,284	Completed
Upgrading of Existing Taxi Rank in the Orkney CBD	920,500	768,065	95% Completed
Upgrading of Existing Taxi Rank in the Stilfontein	920,600	766,070	Completed
Provision of Paved Areas and Lighting at Opperheimer Stadium	1,400,000	694,645	85% Completed
Provision of Paved Areas and Lighting at Matlosana Stadium	700,000	437,198	85% Completed
Provision of Paved Areas and Lighting at Markotter Stadium	687,820	428,717	70% Completed
Provision of Guidance signs within KOSH area	887,870	601,168	Completed
Construction of a new Taxi Rank in Hartbeesfontein	1,026,630	989,351	Completed
Upgrading of Taxi Rank in Tigane	1,591,840	833,305	Completed
Upgrading of Taxi Rank in Alabama	410,059	410,058	Completed
Pedestrian and Cycle Lane between Jouberton and Klerksdorp along N12	3,119,200	2,160,045	Completed
Pedestrian and Cycle Lane between Jouberton and Klerksdorp Industrial Area – Tirisano Road	2,231,700	1,841,952	Completed
Pedestrian Bridge over N12 between Alabama and Jouberton	2,512,820	0	10% Completed To be completed during 2009/10



Pedestrian and Cycle Lane between Orkney and Klerksdorp	3,736,600	3,086,298	Completed
Pedestrian and Cycle Lane in ouberton along Mercury Lane	597,010	447,593	Completed
Pedestrian and Cycle Lane in Klerksdorp along Ian Road	818,380	625,669	Completed
Pedestrian and Cycle Lane along access road to Khuma	1,935,550	1,349,525	Completed
Pedestrian and Cycle Lane between Tigane and Hartbeesfontein	676,400	676,394	Completed
Pedestrian and Cycle Lane between ouberton and labama	309,490	105,910	Completed
Provision of Taxi Lay Bays within KOSH area	3,389,310	1,916,370	Completed
Provision of Shelters for the Existing Main Taxi Rank in Klerksdorp	8,295,730	4,877,809	75% Completed On hold due to Taxi ssociation
Provision of Intermodal Transport Facility in Klerksdorp	3,589,880	1,015,317	75% Completed Construction commence in May 2009
Intermodal Transport Plan	2,720,620	87,719	To be completed during 2009 10



Upgrading of Taxi Rank in Alabama

Provision of Taxi Lay Bays within KOSH area

Sewer

The Council adopted the minimum level of sanitation service to be a sewer connection to each erven from water borne sewer reticulation, serving a flushing toilet system on the relevant erven.

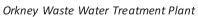


NATIONAL KEY PERFORMANCE INDICATOR	2006/07	2007/08	2008/09
The percentage of households with access to basic level of sanitation	83,5%	98%	99%
Number of households with access to basic level of sanitation	91 435	113 642	115 761
Number of backlogs		2 319	200

PROJECT	BUDGET R	EXP R	COMMENTS
Upgrading of Orkney Waste Water Treatment Plant: Phase 3	9,500,000	9,229,731	Completed
Upgrading of Inlet Works: Klerksdorp Sewerage: Treatment Works: Phase 1	3,370,000	1,569,483	95% Completed
Upgrading of the mechanical and electrical equipment of agspruit sewer pump station: Phase 2	3,000,000	2,838,283	To be completed during 2009 10
Provision of a sewer system in Kanana ext 11	400,000	388,672	Completed
Replacement of a aerator gearbox KWWT	400,000	246,172	Completed
Replacement of pumps and screens at agspruit	1,241,062	780,032	To be completed during 2009 10
Eliminate backlogs by replacing the bucket system with flush toilets	6,336,605	2,212,418	To be completed during 2009 10
Increase Orkney WWTP	397,750	397,750	Completed
Toilets Kanana Extension 9 (917 Toilets)	2,047,970	630,000	To be completed during 2009 10
Toilets Khuma Extension 10 (157 Toilets)	196,520	177,259	95% Completed









Klerksdorp Sewerage: Treatment Works

ELECTRICAL ENGINEERING

Indigent households in Matlosana area received 50 KWh of free electricity per 30 days period.

NATIONAL KEY PERFORMANCE INDICATOR	2006/07	2007/08	2008/09
The percentage of households with access to basic level of electricity	84,2%	85,7%	90%
Number of households with access to basic level of electricity	-	-	125 000
Number of backlogs	-	4 807	2 234

Eskom has a backlog of 2 573 households that do not have access to Free Basic Electricity as per our indigent data register.

50 Kwh of electricity per household per month is required to meet the minimum service standard.

PROJECT	BUDGET R	EXP R	COMMENTS
Installation of Highmast Lights in Khuma	3,000,000	2,224,701	Completed
Upgrading 11 kV network (cable - DK / Monica)	3,575,000	3,508,797	Completed
Frans Street Sub- 11kV Switchgear	1,500,000	1,389,435	Completed
Upgrade- 6,6 kv switchgear- Stilfontein	5,300,000	4,647,745	Completed
Upgrading 11 kV Northern Sub - Switchgear	5,091,220	4,978,212	Manufacturing/ Delivering awaited



Upgrading Hartbeesfontein Sub	1,440,000	1,304,833	Manufacturing/ Delivering awaited
Replace OCB Caledon South Sub	826,949	809,578	Completed
Electrical bulk metering	500,000	442,406	Completed
Standby generators	1,500,000	1,349,661	Completed
Replace H/M lights Khuma extension 8 & 9	1,493,510	1,101,696	Relocation of network to be completed in uly 2009
Upgrading high masts Kanana/Khuma	2,000,000	9,015	Contractor appointed- Completion uly 2009
Upgrading fountain Civic Centre	350,000	305,591	Completed
Telemetry - Khuma water pump station	300,000	0	Planning in process
Upgrading Water pump-station Electrical Ellaton phase 1	2,000,000	643,547	Project in process- switchgear ordered
Service & repair electrical equipment	9,840,310	9,555,696	Project nearly completed



Upgrading high masts HOUSING SERVICES



Upgrading Water pump station Electrical Ellat on phase 1

PROJECT	BUDGET R	EXP R	COMMENTS
Kanana Extension 10	13,051,800	3,763,656	Non performance by current contractor – contract to be given to a performing Contractor
Khuma Extension 6	13,051,800	1,703,019	To be completed by December 2009
ouberton Extension 14	21,753,000	5,663,615	Non performance by current contractor – contract to be given to a performing Contractor



Jouberton Extension 16	13,051,800	6,977,964	To be completed by November 2009
Jouberton Extension 18	4,350,600	0	No beneficiaries -Project to be moved to Jouberton 16
Jouberton Extension 19	30,454,200	15,445,051	To be completed by November 2009
Tigane	13,051,800	868,261	To be completed by November 2009





Jouberton & Orkney Houses

Khuma Houses

DIRECTORATE MUNICIPAL & SOCIAL SERVICES

COMMUNITY SERVICES

The backlog on the number of households not receiving a refuse removal service, due to new housing developments on 1 July 2009 stood at 6 000.

NATIONAL KEY PERFORMANCE INDICATOR	2006/07	2007/08	2008/09
The percentage of households with access to basic level of solid waste removal	92,6%	99,6%	100%
Number of households with access to basic level of solid waste removal	88 200	94 200	100 200
Number of backlogs	0	6 200	6 000

PROJECT	BUDGET R	EXP R	COMMENTS
Upgrading of Lion Lodge (Orkney aal)	985,630	908,945	Completed



Upgrading of Orkney refuse transfer station	2,817,322	2,817,321	Completed
Building of an educational lapa and ablution blocks	1,360,116	105,164	To be completed during 2009/10 – Additional funding needed
Upgrading and maintenance of the 4 e isting cemeteries in KOSH	200,000	200,000	Completed
Upgrading and maintenance of new and e isting sport facilities (6) in KOSH	1,000,000	995,000	Completed
Planning and erection of phase 1 on new museum e hibition	830,310	702,970	Completed
Building of a community library in Khuma	4,000,000	0	Province to manage project
Building and equipping of a community library in Tigane	1,000,000	14,290	Additional funds requested on 2009/2010 budget
Museum e tension	466,670	425,888	Completed



Upgrading of Lion Lodge



Upgrading and maintenance of existing cemeteries in KOSH

PUBLIC SAFETY

PROJECT	BUDGET R	EXP R	COMMENTS
Maintenance of road traffic signs	378,170	371,958.42	Completed
Purchasing of new traffic signs	200,000	199,720	Completed
Purchasing of 11 camera	3,000,000	1,579,037	To be finalized by uly 2009
Purchasing of 50 fire arms	300,000	0	To be completed during 2009/10



Disaster management plan(phase II) in conjunction with District Municipality	35,170	31,752	To be completed during 2009/10
Upgrading the Orkney/Kanana Fire Station (painting & refurbishing)	825,000	730,955	Completed
Upgrading the Klerksdorp Fire Station (painting & refurbishing)	300,000	275,105	Completed
Refurbishing of the Stilfontein Fire Station	61,280	44,625	Completed
Refurbishing of the Hartbeesfontein Fire Station	33,360	32,517	Completed
Fencing of the licensing offices	250,000	0	To be completed during 2009/10
Fencing of the driver's licenses offices	120,000	0	To be completed during 2009/10
Renovation of the driver's license section in Klerksdorp	1,500,000	1,375,045	Completed
Re-surfing of the testing centre	18,420	7,600	Completed
Turning table Orkney Testing Station	496,940	263,194	To be completed during 2009/10





Upgrading the Orkney/Kanana Fire Station

Reception Area

KPA 2: LOCAL ECONOMIC DEVELOPMENT

DIRECTORATE ECONOMIC GROWTH

LOCAL ECONOMIC DEVELOPMENT

The municipality is held accountable in respect of the National Key Performance Indicators for job creation.



NATIONAL KEY PERFORMANCE INDICATOR	2006/07	2007/08	2008/09
The number of jobs created through the municipality's Local Economic Development initiatives, including capital projects	920	602	819

Job Creation Allocations

LOCAL ECONOMIC DEVELOPMENT JOB CREATION				
PROJECT NAME	NO OF BENEFICIARIES	LOCATION	ACTIVITY	EXP R
Dirang Ka Natla	Men - Women :29 Youth :10 Total : 39	Stilfontein	Manufacturing of protective clothing.	3,000,000
Tigane Farming	Men : 9 Women : 6 Youth :11 Total :24	Tigane	Hydrophronics Tunnels and chicken broiler and open land	5,000,000
Aretsosaneng Farming	Men :8 Women :5 Youth - Total :12	Tigane	Hydrophronics Tunnels and open land	500,000
Phutaditjhaba Farming	Men :6 Women :2 Youth - Total :8	Khuma	Open land	100,000
Mochaiketsetse Recycling	Men :14 Women :10 Youth :30 Total :54	Klerksdorp	Recycling	1,400,000
Tigane Brick Making	Men :9 Women :5 Youth : 8 Total :22	Tigane	Manufacturing of Bricks	2,000,000
Tshwaraganang Farming	Men :3 Women :4 Youth - Total :7	Nkagigisang (Klerksdorp)	Open land vegetation Chicken broiler tunnel	1,500,000
Hawkers Shelters	Men :16 Women : 9 Youth :5 Total :30	Klerksdorp	Flea Market	1,000,000
Kopano Sewing	Men - Women :11 Youth :9 Total :20	Jouberton	Clothing Manufacturing	500,000

Batho Pele Disability	Men :32 Women :31	Khuma	Multi Purpose Centre	100,000
	Youth :35			
Cavan Caaaana	Total :98	Llowbooo	Onenland	
Seven Seasons	Men: 4	Hartbees- fontein	Open land vegetation	1,000,000
	Women :4	Torrectin	vegetation	1,000,000
	Youth - Total :8			
Brakspruit	Men : 28	Brakspruit	Animal	
Branopran	Women : 25	(Klerksdorp)	production and	1,500,000
	Youth :76		vegetable	
	Total :129		production	
Indwandwe Co-	Men -	Stilfontein	Clothing	
Operative	Women :20		Manufacturing	1,500,000
	Youth -			
	Total :20			
Intando Ye Sizwe	Men -	Orkney	Vegetable	
Co-Operative	Women :10		Production	500,000
	Youth -			
	Total :10			
Paving of Taxi	Men :11	Jouberton		
Routes	Women :2			5,815,683
	Youth :13			
	Total : 26			
	Men :15	Kanana		
	Women :4			3,221,910
	Youth :23			
	Total :42			
	Men :5	Khuma		4 000 4 ==
	Women :4			1,832,157
	Youth :15			
	Total :24			
	Men :23	Tigane		4 005 000
	Women :27			4,965,300
	Youth :56			
	Total :106			







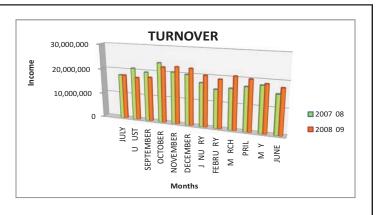


Tigane Dairy

FRESH PRODUCE MARKET

Out of the total of 19 National Fresh Produce Markets in South Africa, Klerksdorp National Fresh Produce Market was rated 10th position with a turnover of R220,579,649 at end June 2008 and closed at R235,231,215 in June 2009.

TURNOVER	2007/08	2008/09
	R	R
JULY	17,678,597	17,719,288
AUGUST	20,759,511	17,080,743
SEPTEMBER	19,562,521	17,579,620
OCTOBER	23,619,451	22,084,738
NOVEMBER	20,406,391	22,528,838
DECEMBER	19,875,124	22,298,171
JANUARY	17,144,729	20,050,647
FEBRUARY	15,074,901	18,994,869
MARCH	15,934,025	20,594,670
APRIL	17,064,246	19,943,280
MAY	18,019,953	18,660,474
JUNE	15,431,200	17,695,878
	220,579,649	235,231,215



Projects

PROJECT	BUDGET R	EXP R	COMMENTS
Flea market and 10 hawker shelters for entrepreneurs (Phase 1)	2,000,000	728,684	To be completed during 2009 10
City branding	4,600,000	4,552,479	Completed
Repair of market floor	100,000	0	To be completed during 2009 10
Painting of market hall	100,000	983,591	Completed







Painting of Market Hall & Re-Imaging

KPA 3: MUNICIPAL TRANSFORMATION & ORGANIZATIONAL DEVELOPMENT

PROJECT	BUDGET R	EXP R	COMMENTS
Upgrading of PMS System	15,000	13,294	Completed

KPA 4: MUNICIPAL FINANCIAL VIABILITY & MANAGEMENT

DIRECTORATE FINANCIAL SERVICES

The payment of rates and services of 82.34% has been currently achieved and decreased with 4.26%, due to the poor economic situation and the closure of some of the Orkney and Hartbeesfontein mines, but does remain a challenge when compared to the number of households.

NATIONAL KEY PERFORMANCE INDICATOR	PRIORITY AREA	2006/07	2007/08	2008/09
The percentage of households earning less than R1 900 per month with access to free basic services	Electricity 50Kwh and Water 6kl free	30,69%	31.14%	33.90%
Number of households earning less than R1 900 per month with access to free basic services	Electricity 50Kwh and Water 6kl free	36 279	37 113	38 286



NATIONAL KEY PERFORMANCE INDICATOR	PRIORITY AREA	2006/07	2007/08	2008/09
The percentage of the municipality's capital budget actually spent	Revised capital budget approved	317,430,000 (Revised)	319,054,000 (Revised)	R293,535m (Revised)
on capital projects identified for a particular financial year in terms of the	Total expenditure as at 30 June 2008	7,096,279	966,452,884 (Revised)	R188,443,504
municipalities IDP.	% Spent	90,74%	98.45%	64.20%

The total electricity and water consumption for the Matlosana area for the past 3 financial years are as follows:-

COMSUMPTIONS	2006/07	2007/08	2008/09
Electricity purchased from ESKOM in Kwh	546 499 242 Kwh	589 218 461 Kwh	625 499 388 Kwh
Electricity purchased from ESKOM in Rand	105,660,613	114,157,932	157,756,492
Electricity distribution losses	10,80%	27,91%	35.31%
Water purchased from Midvaal Water Company in Kl	24 793 434 KI	25 760 894 KI	28 504 803 KI
Water purchased from Midvaal Water Company in Rand	75,215,872	84,770,192	102,429,319
Water distribution losses	23,82%	29,73%	28.50%

NATI	ONAL KEY PERFORMAN CE INDICATOR	RATIO
Debt Coverage Ratio	A=(B-C) / D Where: "A" represents debt coverage "B" represents total operating revenue received "C" represents operating grants "D" represents debt service payments (i.e. interest + redemption) due within the financial year	A= (1,008,094,469 - 185,904,079) / 16,330,416 A = 50.35
Outstanding Service Debtors to Revenue	A=B/C Where: "A" represents outstanding service debtors to revenue "B" represents total outstanding service debtors "C" represents annual revenue actually received for services	A= 580,449,817 / 604,629,621 A= 0.96



	A=(B+C)/D	
	Where:	
	"A" represents cost coverage	A= (-6,944,404
Cost Coverage	"B" represents all available cash at a particular	+82,232,916) /
Ratio	time	1,118,130,798
	"C" represents investments	A= 0.07
	"D" represents monthly fixed operating	
	expenditure	

Projects

PROJECT	BUDGET R	EXP R	COMMENTS
Upgrading of the security in the existing finance offices	957,700	918,572	Completed
Upgrading of 2 existing pay points	500,000	370,740	To be completed during 2009/10
Changing of the electrical cable store	430,000	304,409	Completed
Building of a new pay point	102,390	102,390	Completed
Provision of a wide area network	276,700	241,872	Completed
Development of an effective ICT Strategy plan	348,000	254,630	Completed

KPA 5: GOOD GOVERNANCE & PUBLIC PARTICIPATION

DIRECTORATE CORPORATE GOVERNANCE

PROJECT	BUDGET R	EXP R	COMMENTS
Alterations & Renovations to the	988,600	625,590	Completed
existing community hall: Jouberton	388,000	023,330	Completed
Alterations & Renovations to the	1,051,000	529,845	Completed
existing community hall: Kanana	1,051,000	323,043	Completed
Alterations & Renovations to the	1 426 925	797 602	Completed
existing community hall: Khuma	1,436,825	787,693	Completed
Alterations & Renovations to the	1,260,000	617,879	Completed
existing community hall: Tigane	1,200,000	017,079	Completed
Building of 1 accessible (ramp)	500,000	259,880	Additional funds
implemented at council buildings	300,000	233,880	requested
Upgrading of the council chamber	318,600	81,585	Completed
Designing of a new additional office			To be
Designing of a new additional office	800,000	0	completed
building			during 2009/10



Installation of a Document Management System	823,000	755,621	Completed
Upgrading of the security at the main entrance	70,000	61,207	Completed





Community hall: Tigane

Community hall: Khuma

2. BACKLOGS ON SERVICE DELIVERY

The biggest challenge for Council is not to create unrealistic expectations, but to develop a medium to long term strategy to address backlogs and to ensure that the community is involved, understand and adopt the strategies.

Resources to eradicate sanitation backlogs in the short term are not sufficient, but major progress has been made in eliminating the bucket system that should be completely phased out by the end of 2010.

A program to eliminate the night soil bucket system is as follows:-

BACKLOGS	2006/07	2007/08	2008/09	2009/10
Statuary backlogs	12 553	13 568	1 904	1 583
Minus erven being developed	0	0	0	0
Current number of night soil buckets	13 568	13 568	1 904	0
Eradicate during financial year	500	11 664	3 211	1 583
Number of buckets at end of financial year	13 568	1 904	1 583	0

All new housing projects will be equipped with a proper sewerage from the outset.



The following tables indicate the backlogs Council is facing regarding water, sanitation, refuse and electricity:-

WATER		2006/07			2007/08			2008/09	
BACKLOGS (6KI/month)	Backlogs	Target	Achieved	Backlogs	Target	Achieved	Backlogs	Target	Achieved
Nr. Households not receiving minimum standard of service	1 150	1 026	896	2 554	1 398	1 398	1 398	480	375
% - Households identified as backlogs / total households in municipality	3	1,2	1,2	3,6	2	2	2	1.8	1.6
Spending on new infrastructure to	2 610	2 610	2 610	4 500	3 500	4 500	2 000	3 200	2 500
Spending on renewal of existing infrastructure to eliminate backlogs (R'000)	1	5 451	5 451	15 000	8 500	8 500	009 8	4 500	3 500
Total spending to eliminate backlogs (R'000)	20 055	20 055	20 055	25 000	15 000	18 000	20 000	10 000	2 000
Spending on maintenance to ensure no new backlogs created (R'000)	212 962	212 962	212 962	2 500	1 500	1 500	1 500	1 000	850
SANITATION		2006/07			2007/08			2008/09	
BACKLOGS	Backlogs	Target	Achieved	Backlogs	Target	Achieved	Backlogs	Target	Actual
Nr. Households not receiving minimum standard of service	12 553	12 553	500	13 568	13 568	13 450	009	400	200
% - Households identified as backlogs / total households in municipality	1 646	0	0	15,51	15,51	15,38	0.01	0	0
Spending on new infrastructure to eliminate backlogs (R'000)	37 316	37 316	37 316	76 848	76 848	65 418	2 580	5 580	4 179
Spending on renewal of existing infrastructure to eliminate backlogs (R'000)	23 398	23 398	23 398	30 314	30 314	30 314	13 210	13 210	11 579
Total spending to eliminate backlogs (R'000)	60 714	60 714	60 714	107 162	107 162	95 732	18 790	18 790	15 758
Spending on maintenance to ensure no new backlogs created (R'000)	56 096	56 096	56 096	73 000	73 000	73 000	6 045	6 045	5 075

34004		20/9000			80/2006			00/8000	
ROADS	:	70/00/2		:	90//02	:	:	60/0007	
BACKLOGS	Backlogs	Target	Achieved	Backlogs	Target	Achieved	Backlogs	Target	Achieved
Nr. Km not providing minimum standard of service	629	8.4	8.4	635	14.8	14.8	611	15	24
% - Km identified as backlogs / total km	40	0.51	0.51	37	6'0	6.0	57.42	2.46	3.93
Spending on new infrastructure to	1 169 300	14 905	14 905	1 270	22 000	22 000	009 82	73 500	42 500
Spending on renewal of existing infrastructure to eliminate backlogs (R'000)	21 000	3 500	3 500	217 000	009 6	009 6	4 500	4 500	2 500
Total spending to eliminate backlogs (R'000)	1 190 300	18 405	18 405	218 270	31 500	31 500	009 22	77 500	29 000
Spending on maintenance to ensure no new backlogs created (R'000)	101 000 45 000	35 250 27 700	35 250 27 700	218 270	26 094	26 094	200 000	17 000	15 000
BEELISE BEMOVAL		2006/07			2007/08			2008/09	
BACKLOGS	Backlogs	Target	Achieved	Backlogs	Target	Achieved	Backlogs	Target	Actual
Nr. Households not receiving minimum standard of service	No Backlogs	0	0	000 9	000 9	000 9	000 9	000 9	000 9
% - Households identified as backlogs / total households in municipality	No Backlogs	0	0	6.8 88 200	6.8 94 2000	6.8 94 200	6.8 94 200	6.8 100 200	6.8 100 200
Spending on new infrastructure	No Backlogs	0	0	921 000	921 000	921 000	27 000	27 000	27 000
Spending on renewal of existing infrastructure to eliminate backlogs (R'000)	No Backlogs	0	0	437 000	437 000	437 000	53 200	53 200	53 200
Total spending to eliminate backlogs (R'000)	No Backlogs	0	0	1 358 000	1 358 000	1 358 000	80 200	80 200	80 200
Spending on maintenance to ensure no new backlogs created (R'000)	No Backlogs	0	0	0	0	0	0	0	0



ELECTRICITY		2006/07			2007/08			2008/09	
BACKLOGS (50Kwh/ month)	Backlogs	Target	Achieved	Backlogs	Target	Achieved	Backlogs	Target	Actual
Nr. Households not receiving minimum standard of service	17 621	1 621	1 567	16 916	16 916	1715	4 807	092	150
% - Households identified as backlogs / total households in municipality	42%	%6	8.9%	18,5%	18,5%	1,8%	3,83	9'0	0,1
Spending on new infrastructure to eliminate backlogs (R'000)	2,265	2,265	2,265	-	2 856	260	48 070	009 2	1 500
Spending on renewal of existing infrastructure to eliminate backlogs (R'000)	000'2	7,000	7096279	,	1	1	24 000	24 000	22 000
Total spending to eliminate backlogs (R'000)	9,196,200	9,196,200	9,196,200	-	2 856	560	72 070	31 500	23 500
Spending on maintenance to ensure no new backlogs created (R'000)	8,2m	8,2m	8,2m	,	8 315 250	7 883 350	15 000	9 940	9 880

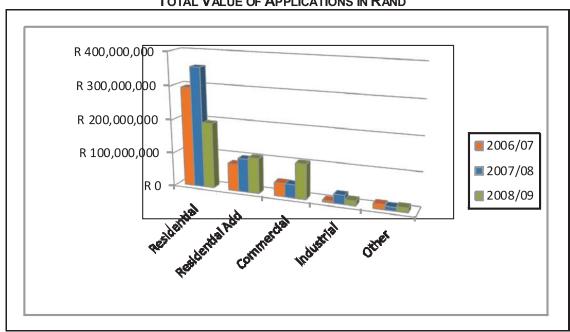
1. BUILDING PLANS

The following table indicate the number of applications for building plans received for 2007/08 and 2008/09, as well as the outstanding building plan applications as on 30 June 2009:-

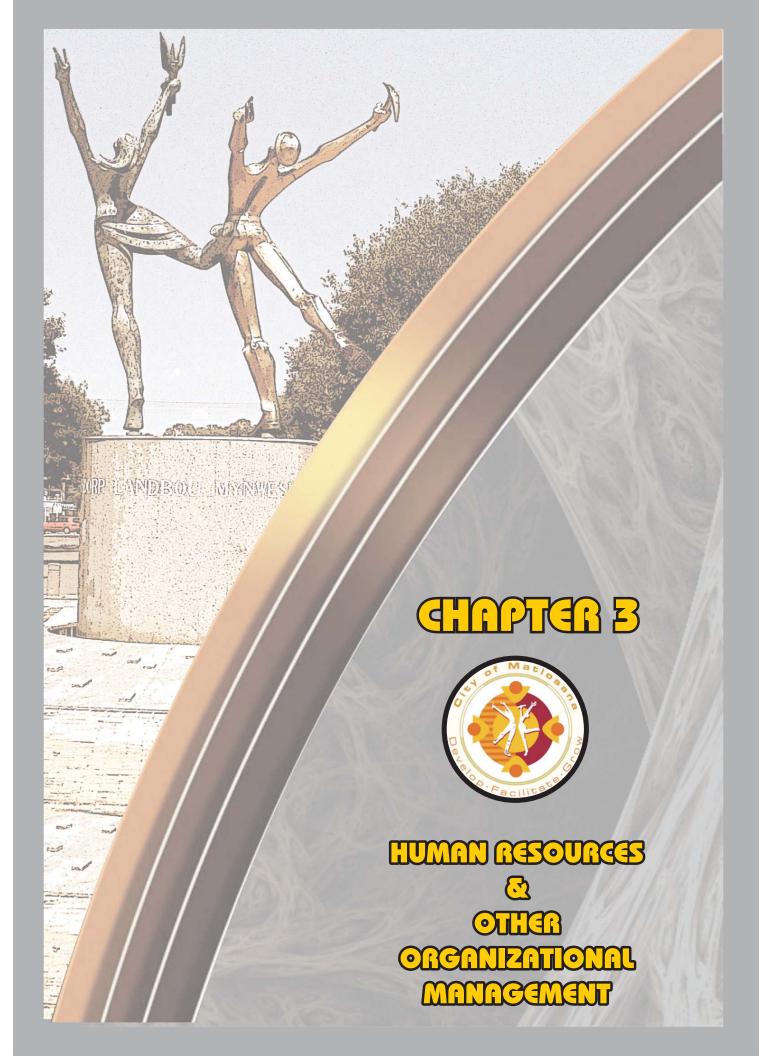
	2007/	2008		2008/2009	
Building Plans	Applications Outstanding 30 June 2007	Applications Received 2007/2008	Applications Outstanding 30 June 2008	Applications Received 2008/2009	Applications Outstanding 30 June 2009
Residential New	180	772	20	598	28
Residential Additions	120	653	40	641	42
Commercial	6	104	42	72	11
Industrial	1	7	3	9	4
Other	134	260	14	221	-11
TOTAL	441	1,796*	119	1 541*	74

Totals differ due to more than one application within one application etc. one building plan submitted for an addition, lapa and swimming pool.





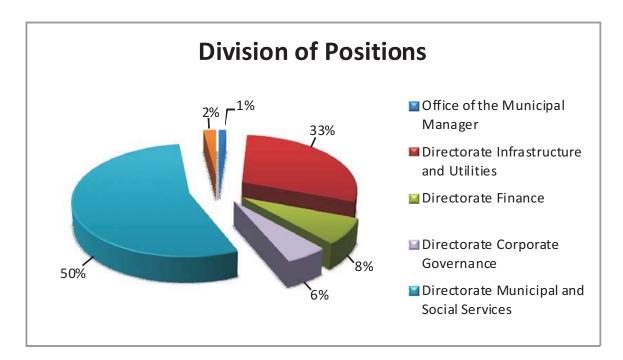
APPLICATION	2006/07 R	2007/08 R	2008/09 R
Residential New	295,203,800	355,849,000	194,527,700
Residential Add	80,053,800	98,976,000	104,444,000
Commercial	40,187,300	39,438,000	103,758,600
Industrial	5,259,100	26,626,000	14,493,900
Other	14,469,500	10,616,000	13,410,400



1. ORGANIZATIONAL STRUCTURE

The following approved, filled and vacant posts existed at the end of the 2008/09 Financial Year:-

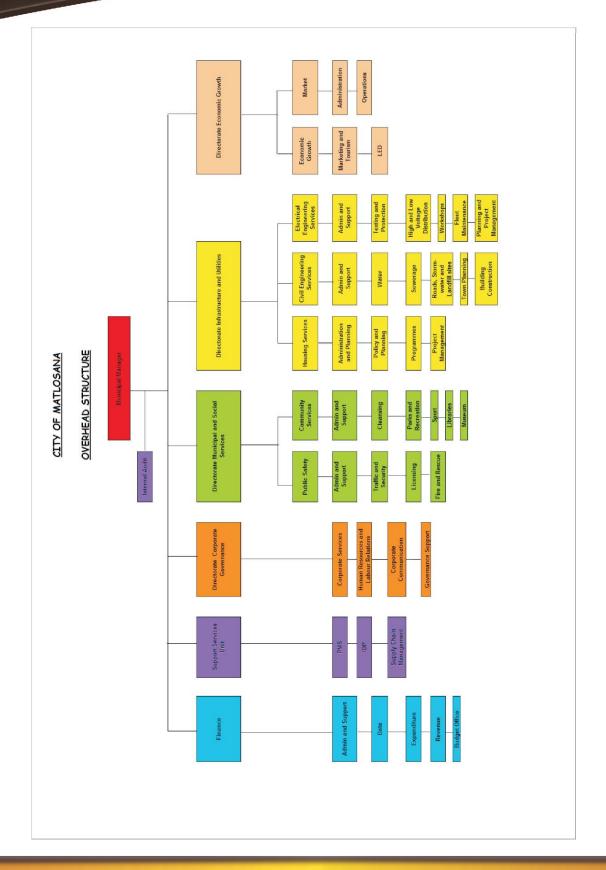
DIRECTORATE	APPROVED POSTS	FILLED POSTS	VACANT POSTS
Office of the Municipal Manager	25	23	2
Directorate Infrastructure and Utilities	1040	549	491
Directorate Finance	246	155	91
Directorate Corporate Governance	183	140	43
Directorate Municipal and Social Services	1541	1031	510
Directorate Economic Growth	59	47	12
TOTAL	3094	1 945	1 149



The filled positions represent 62.86% and the vacant positions 37,14% of the total approved posts. In comparison with the 70,89% for filled positions and 29,11% for vacant positions for the 2007/2008 financial year.

The approved top-level organizational structure is as follows:-





2. STAFF & EMPLOYMENT EQUITY PROFILE

The municipality is held accountable in respect of the National Key Performance Indicators for the Employment Equity Plan.

The tables below reflect the number of approved, filled and vacant positions per department and a breakdown of staff per occupational category and gender:-

Breakdown of staff per occupational category and gender for 2008/09:

Occupational		Male	е			Fema	le	le	
Categories	Black	Coloured	Indian	White	Black	Coloured	Indian	White	TOTAL
egislators, senior officials and managers	27	0	0	11	06	01	0	01	46
Professionals	31	04	0	16	16	01	0	16	84
Technicians and associate professions	27	03	0	19	4	0	0	23	76
Clerks	73	06	0	10	61	17	04	30	197
Service and sales workers	114	08	0	25	109	01	01	09	268
Skilled agricultural and fishery workers	0	0	0	10	10	0	0	0	20
Craft and related trades workers	92	06	1	12	26	01	0	01	139
Plant and machine operators & assemblers	03	03	0	05	03	0	02	0	16
Elementary occupations	894	06	0	06	190	03	0	0	1099
TOTAL	1261	36	2	114	425	24	3	80	1945
Non-Permanent Employees	0	0	0	0	0	0	0	0	0
GRAND TOTAL	1261	36	2	114	425	24	3	80	1945

The number of people from employment equity target groups employed in the three highest levels of managem ent in compliance with a municipality's approved employment equity plan is indicated in the above table.



Employment Equity Profile

Post	2007/08						2008/09									
Level		Ma	le			Fem	ale			Ma	Male			Fer	nale	
	В	С	- 1	W	В	С	ı	W	В	С	I	W	В	С	ı	w
0	4	0	0	2	1	0	0	0	4	0	0	1	1	0	0	0
1	1	0	0	2	1	0	0	0	2	0	0	0	1	0	0	0
2	5	0	0	0	1	0	0	0	7	0	0	1	2	0	0	0
3	10	0	0	7	2	1	0	1	9	1	0	7	3	1	0	1
4	3	0	0	4	0	0	0	2	5	0	0	3	1	0	0	2
5	14	2	0	12	5	0	0	5	12	3	0	10	9	0	0	4
6	12	2	0	9	9	1	0	5	28	3	0	5	16	1	0	3
7	17	1	0	15	2	0	0	4	27	0	0	4	7	0	0	3
8	15	2	1	16	10	1	0	9	27	1	0	9	14	0	0	3
9	34	6	1	26	34	0	0	8	57	2	0	4	18	0	1	5
10	36	4	0	10	21	1	1	17	35	4	0	10	17	3	0	11
11	22	1	0	2	14	0	0	11	32	2	1	12	50	4	2	8
12	60	6	0	6	24	1	1	3	33	2	0	10	20	1	0	6
13	29	1	0	6	33	4	1	6	70	3	0	9	32	2	0	15
14	32	1	0	0	29	3	0	1	23	5	1	10	15	3	0	12
15	99	2	0	4	44	4	1	8	83	2	0	12	46	5	0	7
16	60	0	0	4	12	0	0	0	80	2	0	0	9	2	0	0
17	117	3	1	1	3	0	0	0	110	0	0	0	3	0	0	0
18	17	0	0	0	8	1	0	0	57	2	0	0	19	0	0	0
19	671	4	0	4	150	1	0	3	560	4	0	7	142	2	0	0
Total	1258	35	3	130	403	18	4	83	1249	48	2	114	425	24	3	80
Grand Total								1934								1945

3. **SKILLS INFORMATION**

The municipality is held accountable in respect of the National Key Performance Indicators for the implementation of the Workplace Skills Plan.

The following training has been provided in the various occupation categories to improve skills development:-

Occupational	Post	Male				Fema	ale		TOTAL	
Categories	Levels	Black	Coloured	Indian	White	Black	Coloured	Indian	White	TOTAL
Legislators, senior officials and managers	0-3	124	14	0	17	72	8	0	6	241
Professionals	4-6	64	0	0	4	32	0	0	7	107
Technicians & associate professions	7-9	2	1	0	2	0	0	0	0	5
Clerks	10	4	3	0	1	10	1	0	7	26
Service and sales workers	10	0	0	0	0	0	0	0	0	0



Skilled agricultural and fishery workers	10	0	0	0	0	0	0	0	0	0
Craft and related trades workers	11-12	15	0	0	4	8	0	0	6	33
Plant and machine operators & assemblers	13-15	61	14	0	2	40	6	0	3	126
Elementary occupations	16-19	8	0	0	0	8	0	0	0	16
TOTAL		278	32	0	30	170	15	0	29	554

The following table indicate Council's actual training expenditure and levies paid, as well as monies received from SETA for the past three Financial Years:

INDICATOR	PRIORITY AREA	2006/07 R	2007/08 R	2008/09 R
The percentage of the municipality's budget actually spent on	Expenditure & Levies	2,455,614	2,256,267 0.30%	2,631,751 0,24%
Implemen ting its workplace skills plan.	SET	795,910	682,784 0.07%	967,916 0,09%

4. TOTAL PERSONNEL EXPENDITURE TRENDS IN THE LAST FOUR YEARS

The following table reflects the total personnel expenditure trends from 2005/06 to 2008/09:-

FINANCIAL YEAR	R	% OF TOTAL BUDGET
2005/06	186,304,754	28.02%
2006/07	206,210,619	27.58%
2007/08	225,995,000	27.00%
2008/09	252,864,527	22.73%

5. PENSION AND MEDICAL AID FUNDS

Pension Fund

The composition of membership per pension and provident fund was as follows:-

PENSION FUND	NUMBER OF MEMBERS
Municipal Gratuity Fund	1,084
National Fund for Municipal Workers	212
Group Fund for Municipal Workers	224
Joint Municipal Pension fund	44
Sala Pension Fund	119
Municipal Councillors Pension Fund	57



Municipal Employees Pension Fund	379
Meshawu Pension fund	5
Samwu Pension Fund	34
Total	2,158

The Council's budget for the 2008/09 Financial Year pertaining to the employers' contribution to pension and provident funds was **R41,747,220**.

Medical Aid Funds

The medical aid funds are accredited by the South African Local Government Bargaining Council (SALGBC). The Council's budget for the 2008/09 Financial Year pertaining to the employer's contribution to medical aid funds was **R23,399,720**.

Membership of the medical aid funds were as follows:

MEDICAL AID FUND	NUMBER OF MEMBERS	EMPLOYER'S CONTRIBUTION R
Munimed	208	4,512,050
Hosmed	103	1,774,181
Bonitas	310	3,560,098
LA Health	54	3 58,858
Etern Health	1	17,184
Samwu Med	310	2,459,804
Medic Titanic	1	13,974
Total	987	12,696,151

6. **OUTSTANDING MONIES**

MFMA Circular 11 requires that municipalities disclose arrears (outstanding monies) by councillors / staff / directors for the financial year.

	<u>Total</u>	Outstanding less	Outstanding more
Councillor Koon I		than 90 days	than 90 days
Councillor Koen J Councillor Moleme H	4 165	3 744	421
Councillor Molerile 11	14 679	13 004	1 675
	18,844	16,748	2,095

Outstanding monies owed to the municipality by employees are as follows:

Employees with accounts in arrear as at present	Arrears	Arrears	Arrears
	Jun-07	Jun-08	Jun-09
	R	R	R
	141,035	491,428	174,433





7. <u>DISCLOSURE CONCERNING EXECUTIVE COUNCILLORS AND DIRECTORS</u>

The following table reflects the remuneration for Executive Councillors and directors:-

REMUNERATION OF COUNCILLORS	R
Executive Mayor	570,581
Speaker	446,844
Mayoral Committee Members (Councillors: 9 [2008 : 8])	4 059,180
Councillors (Councillors: 50 [2008 : 51])	8,581,478
Total Councillors' Remuneration	13,658,083

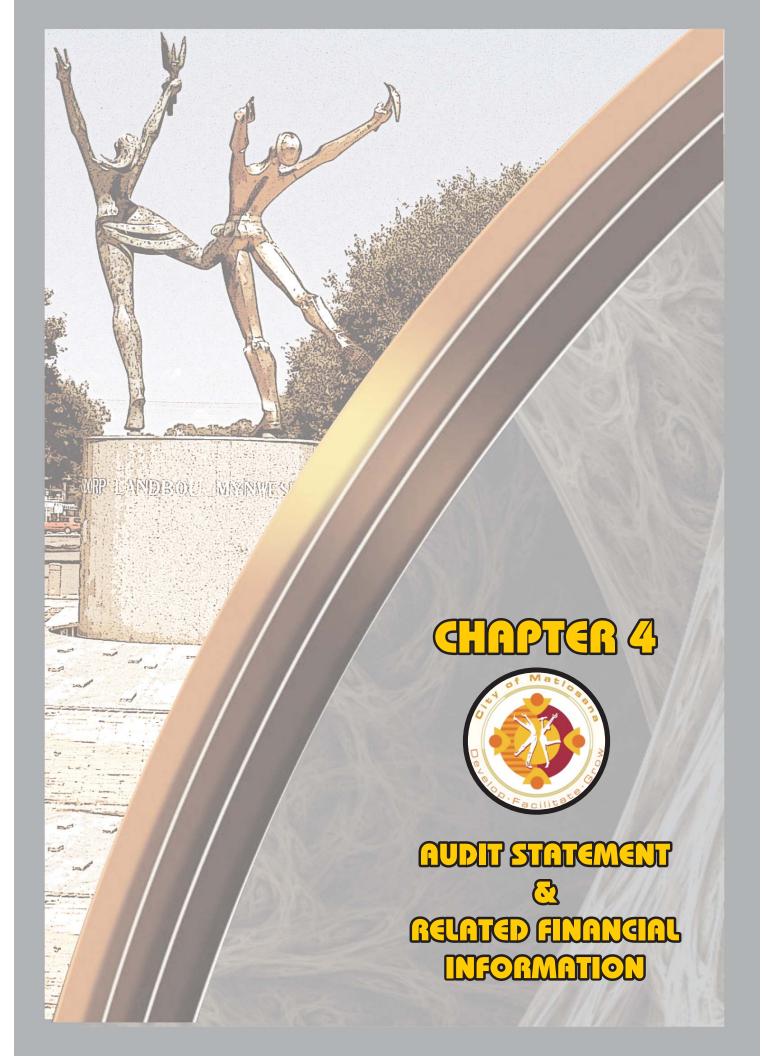
Remuneration of the Municipal Manager	R
Annual Remuneration : Package	978,431
Performance Bonuses	0
Car Allowance	0
Contributions to UIF, Medica I and Pension Funds	0
Total	978,431
Remuneration of the Chief Finance Officer	R
Annual Remuneration : Package	778,898
Performance Bonuses	0
Car Allowance	0
Contributions to UIF, Medica I and Pension Funds	0
Total	778,898



Remuneration of Managers	R	R	R
30 June 2009	Director Infrastructure & Utilities : Section 57 appointment	Director Minicipal & Social Services : Section 57 appointment	Director Corporate Services & Governance : Section 57 appointment
Annual Remuneration : Package	778,898	778,898	766,165
Performance Bonuses	0	0	0
Car Allowance	0	0	0
Contributions to UIF, Medical and Pension Funds	0	0	0
Total	778,898	778,898	766,165

30 June 2009	R Manager - Support Services	R Director Economic Development & Procurement : Section 57 appointment
A nnual Remuneration : Package	516,232	692,235
Performance Bonuses	0	0
Car Allowance	0	0
Contributions to UIF, Medical and Pension Funds	0	0
Total	516,232	692,235





REPORT OF THE AUDITOR-GENERAL TO THE NORTH WEST PROVINCIAL LEGISLATURE AND THE COUNCIL ON THE FINANCIAL STATEMENTS AND PERFORMANCE INFORMATION OF THE CITY OF MATLOSANA FOR THE YEAR ENDED 30 JUNE 2009

REPORT ON THE FINANCIAL STATEMENTS

Introduction

I was engaged to audit the accompanying financial statements of the City of Matlosana which
comprise the statement of financial position as at 30 June 2009, statement of financial performance,
statement of changes in net assets and cash flow statement for the year then ended and a
summary of significant accounting policies and other explanatory notes, as set out on pages 59 to
91.

The accounting officer's responsibility for the financial statements

2. The accounting officer is responsible for the preparation and fair presentation of these financial statements in accordance with the Statements of Generally Recognised Accounting Practice (GRAP) and in the manner required by the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003) (MFMA) and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The Auditor-General's responsibility

- 3. As required by section 188 of the Constitution of the Republic of South Africa, 1996 read with section 4 of the Public Audit Act, 2004 (Act No. 25 of 2004) (PAA), my responsibility is to express an opinion on the financial statements based on conducting the audit in accordance with the International Standards on Auditing and General Notice 616 of 2008, issued in Government Gazette No. 31057 of 15 May 2008. Because of the matters described in the basis for disclaimer of opinion paragraphs, however, I was not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.
- 4. Paragraph 11 *et seq.* of the Statement of Generally Recognised Accounting Practice, GRAP 1 *Presentation of Financial Statements* requires that financial reporting by entities shall provide information on whether resources were obtained and used in accordance with the legally adopted budget. As the budget reporting standard is not effective for this financial year, I have determined that my audit of any disclosures made by the City of Matlosana in this respect will be limited to reporting on non-compliance with this disclosure requirement.

Basis for disclaimer of opinion

Property, plant and equipment

- 5. As reported in the prior year, my opinion on property, plant and equipment of R534 358 454 was modified. During the year under review, management did not implement corrective measures on the qualification raised in this regard. As a result thereof, I was unable to verify the opening balances other than agreeing them to the prior year audited financial statements.
- 6. Capital expenditure of R120 647 267 have been capitalised to infrastructure assets prior to final project completion certificates being obtained. Infrastructure assets are therefore overstated and work in progress understated by R120 647 267.
- 7. I was unable to obtain sufficient appropriate audit evidence for the existence of infrastructure assets with a cost of R133 743 250 and accumulated depreciation of R82 426 790, as these assets could not be physically verified. Consequently I did not obtain all the information and audit evidence I considered necessary to establish the valuation and existence of infrastructure assets.



- 8. The municipality did not review the useful life of property, plant and equipment on an annual basis as required by the Statement of Generally Recognised Accounting Practice, GRAP 17 *Property, plant and equipment.* I was therefore unable to determine whether the impact of the change in estimate of the depreciation charge would be material to the financial statements.
- 9. I was unable to obtain sufficient appropriate audit evidence for land with a cost of R44 685 527 held in the municipality's name. The records of the municipality did not permit me to perform alternative audit procedures. I was therefore unable to verify the existence, rights and obligations, completeness and valuation of land and buildings disclosed in note 9 to the financial statements.

Long and short-term receivables

- 10. Long-term receivables as disclosed in note 10 to the financial statements include the short-term portion of the long-term receivables for housing stands. The records of the municipality did not permit me to calculate the short-term portion as required by the Statement of Generally Recognised Accounting Practice, GRAP 1 Presentation of financial statements, consequently I was unable to determine the valuation of long-term receivables.
- 11. I was unable to obtain sufficient appropriate audit evidence for the Sale of housing stands balance of R1 694 939 and the Housing: houses balance of R9 951 623 disclosed in note 10 to the financial statements. The municipality also did not consider the recoverability of these balances as required by the South African Statement of Generally Accepted Accounting Practice, IAS 39 (AC 133) Financial instruments: Recognition and measurement, as evidenced by the fact that they were not included in the municipality's bad debt provision. I was therefore unable to verify the existence, completeness and valuation of these long-term receivables.

Consumer debtors

- 12. As reported in the prior year, my opinion on the provision for bad debts was modified. During the year under review, management did not implement corrective measures in this regard. As a result thereof, I was unable to verify the opening balance other than agreeing it to the prior year audited financial statements.
- 13. The municipality's calculation of the provision for bad debts of R585 032 001 disclosed in note 12 to the financial statements could not be adequately substantiated by an approved council policy, nor is it in line with paragraphs 58 and 59 of the South African Statement of Generally Accepted Accounting Practice, IAS 39 (AC 133) *Financial instruments: Recognition and measurement.*

Other debtors

- 14. As reported in the prior year, my opinion on other debtors of R100 616 620 was modified. During the year under review, management did not implement corrective measures on the modification raised in this regard. As a result thereof, I was unable to verify the opening balance other than agreeing them to the prior year audited financial statements.
- 15. I was unable to obtain sufficient appropriate audit evidence for other debtors of R142 227 177 and the provision for bad debts of R84 684 421 disclosed in note 13 to the financial statements. The municipality's records do not permit the performance of alternative procedures. I was therefore unable to verify the existence, rights and obligations, completeness and valuation of other debtors of R57 542 756 disclosed in the statement of financial position.

Long-term liabilities and infrastructure assets

16. In the prior year my opinion on long-term liabilities and infrastructure assets were further modified regarding the altered functions and powers of the municipality determined by the Minister for Provincial and Local Government as per *Government Notice No. 821 of 2003*, issued in *Government Gazette No. 25076 of 13 June 2003*, whereas certain assets and liabilities on bulk water and sewerage services were to be transferred from the Dr. Kenneth Kaunda District Municipality to the City of Matlosana. As at the end of the financial year, these



long-term liabilities and infrastructure assets had not been transferred, resulting in long-term liabilities being understated by R30 026 199 and infrastructure assets being understated by an unknown amount due to inadequate information.

Provisions and liabilities

- 17. As reported in the prior year, my opinion on the provision for leave pay of R8 884 528 was modified. During the year under review, management did not implement corrective measures on the modification raised in this regard. As a result thereof, I was unable to verify the opening balance other than agreeing it to the prior year audited financial statements.
- 18. Management did not raise a provision for the restoration of the landfill site near Orkney, in line with the requirements of the Statement of Generally Recognised Accounting Practice, GRAP19 *Provisions, contingent liabilities and contingent assets.* I was unable to determine the misstatement of the provision and the expenditure.

Creditors

19. All creditors, trade and other, are paid at year-end based on invoices that have been received in the month of June. Outstanding cheque payments totalling R37 839 759 have not been reversed to trade creditors at year-end. Creditors and bank and cash balances disclosed in the statement of financial position are therefore understated by the said amount.

Unspent conditional grants and receipts

20. I was unable to obtain an explanation for the difference of R9 842 906 in grants and subsidies received of R242 823 264 as per third party confirmation and the amount of R232 980 358 recognised as revenue in the statement of financial performance. I was unable to perform alternative procedures and consequently was unable to verify the completeness, accuracy and occurrence of revenue of R232 980 358 disclosed in the statement of financial performance and the valuation and completeness of unspent conditional grants and receipts of R49 204 429 disclosed in the statement of financial position.

Funds and reserves

- 21. As reported in the prior year, my opinion on funds and reserves of R22 774 543 was modified. During the year under review, management did not implement corrective measures in this regard. As a result thereof, I was unable to verify the opening balance other than agreeing it to the prior year audited financial statements.
- 22. Contrary to the Statement of Generally Recognised Accounting Practice, GRAP 1 *Presentation of financial statements*, there are movements in reserves disclosed on the face of the statement of financial position. The only funds that should be disclosed are the housing fund and the accumulated surplus. The additional, prohibited movements shown are pension reserve, capital replacement reserve, self insurance reserve, government grant reserve, donations and public contribution reserve and capitalisation reserve. This disclosure deficiency is material to the financial statements.
- 23. The combined carrying value of property, plant and equipment of R125 715 977 financed by the capital replacement reserve, capitalisation reserve and the donations and public contributions reserve as per the asset register, differed with the combined balance of R38 014 685 of these reserves as disclosed in the statement of changes in net assets. The difference of R87 701 292 could not be substantiated. The municipality's accounting records did not permit alternative procedures to be performed. Consequently I am unable to verify the valuation and completeness of reserves amounting to R38 014 685.
- 24. There is no clear documented basis of the quantification of risk into monetary terms for the self-insurance reserve. I could not establish the rationale for the estimation of the reserve and was therefore unable to conclude on the sufficiency or accuracy of the balance of R12 224 735 as disclosed in the statement of financial position.



Given the above, I could not determine the completeness, valuation and allocation of funds and reserves disclosed in the statement of financial position.

Cash and bank

25. As reported in the prior year, my opinion on the cash and bank balance was modified. During the year under review, management did not implement corrective measures on the modification raised in this regard. As a result thereof, I was unable to verify the opening balance other than agreeing it to the prior year audited financial statements.

Accumulated surplus

26. As reported in the prior year, my opinion on various items of revenue totalling R229 076 408 and expenditure totalling R28 118 116 were modified. During the year under review, management did not implement corrective measures on the modification raised in this regard. As a result thereof, I was unable to verify the opening balance of accumulated surplus other than agreeing it to the prior year audited financial statements.

Financial instruments

27. Financial Instruments disclosure as required by the South African Statement of Generally Accepted Accounting Practice, IFRS 7 *Financial instruments disclosure* and IAS 32 *Financial instruments presentation* has not been included in the financial statements. I am unable to quantify the impact of the non-disclosure so as to determine whether it is material to the financial statements. However given the materiality of the financial assets and liabilities, this non-disclosure may have a material impact on the financial statements as a whole.

Disclaimer of opinion

28. Because of the significance of the matters described in the basis for disclaimer of opinion paragraphs, I have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, I do not express an opinion on the financial statements.

Emphasis of matters

I draw attention to the following matter on which I do not express a disclaimer of opinion:

Significant uncertainties

29. During the year net withdrawals of R109 209 571 were made from call investment deposits for the purpose of funding operating expenditure. Due to the fact that these withdrawals were not budgeted for and the municipality did not have an appropriate cash management and investment policy as required by section 13(2) of the MFMA, I was unable to determine whether appropriate approvals for these withdrawals were obtained.

Unauthorised, irregular or fruitless and wasteful expenditure as well as material losses through criminal conduct

30. As disclosed in note 28 to the financial statements, unauthorised expenditure of R34 995 and fruitless and wasteful expenditure of R4 056 958 incurred in the prior year has not yet been considered by council in terms of section 32 of the PFMA.

Other matters

I draw attention to the following matters that relate to my responsibilities in the audit of the financial statements:

Unaudited supplementary schedules

31. The municipality provided supplementary information in the financial statements on whether resources were obtained and used in accordance with the legally adopted budget, in accordance with GRAP 1: *Presentation of financial statements*. The supplementary budget



information set out on pages 11 to 41 and pages 100 to 135 does not form part of the financial statements and is presented as additional information. Accordingly I do not express an opinion thereon.

Non-compliance with applicable legislation

- 32. Municipal Finance Management Act, 2003 (Act No. 56 of 2003) (MFMA)
 - Contrary to section 62, no risk assessment was performed in the year under review.
 - Contrary to section 63(2) (a), the fixed asset register was not properly maintained.
 - Contrary to section 131(1), the municipality did not address the findings raised in the prior year audit report.
- 33. Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000) (MSA)
 - Contrary to section 104, the municipality did not have a fraud prevention plan.

Governance framework

34. The governance principles that impact the auditor's opinion on the financial statements are related to the responsibilities and practices exercised by the accounting officer and executive management and are reflected in the internal control deficiencies and key governance responsibilities addressed below:

Internal control deficiencies

35. Section 62(1)(c)(i) of the MFMA states that the accounting officer must ensure that the municipality has and maintains effective, efficient and transparent systems of financial and risk management and internal control. The table below depicts the root causes that gave rise to the deficiencies in the system of internal control, which led to the disclaimer of opinion. The root causes are categorised according to the five components of an effective system of internal control. In some instances deficiencies exist in more than one internal control component.

Par.	Basis for disclaimer of opinion	CE	RA	CA	IC	M
no.	·					
5-9	Property, plant and equipment	5		3;4		
				;5		
10-11	Long and short-term receivables	5		4		
12-13	Consumer debtors			5,6		
14-15	Other debtors	5		4		
16	Long-term liabilities and infrastructure assets	5		4		
17-18	Provisions and liabilities	5		4;6	1	
19	Creditors	5		3;4		
20	Unspent conditional grants and receipts	5		4		
21-24	Funds and reserves	5		4		
25	Cash and bank			4		
26	Accumulated surplus			4		
27	Financial instruments			4		1

Legend	
CE = Control environment	
The organisational structure does not address areas of responsibility and lines of reporting to support effective control over financial reporting.	1
Management and staff are not assigned appropriate levels of authority and responsibility to facilitate control over financial reporting.	2
Human resource policies do not facilitate effective recruitment and training, disciplining and supervision of personnel.	3
Integrity and ethical values have not been developed and are not understood to set the standard for financial reporting.	4
The accounting officer/accounting authority does not exercise oversight responsibility	5



and the projection and internal control	
over financial reporting and internal control.	
Management's philosophy and operating style do not promote effective control over	6
financial reporting.	<u> </u>
The entity does not have individuals competent in financial reporting and related	7
matters.	
RA = Risk assessment	
Management has not specified financial reporting objectives to enable the	1
identification of risks to reliable financial reporting.	
The entity does not identify risks to the achievement of financial reporting objectives.	2
The entity does not analyse the likelihood and impact of the risks identified.	3
The entity does not determine a risk strategy/action plan to manage identified risks.	4
The potential for material misstatement due to fraud is not considered.	5
CA = Control activities	
There is inadequate segregation of duties to prevent fraudulent data and asset	1
misappropriation.	-
General information technology controls have not been designed to maintain the	2
integrity of the information system and the security of the data.	_
Manual or automated controls are not designed to ensure that the transactions have	3
occurred, are authorised, and are completely and accurately processed.	
Actions are not taken to address risks to the achievement of financial reporting	4
objectives.	7
Control activities are not selected and developed to mitigate risks over financial	5
reporting.	
Policies and procedures related to financial reporting are not established and	6
communicated.	0
Realistic targets are not set for financial performance measures, which are in turn not	7
linked to an effective reward system.	′
IC = Information and communication	
	1
Pertinent information is not identified and captured in a form and time frame to support financial reporting.	I
Information required to implement internal control is not available to personnel to	2
enable internal control responsibilities.	
Communications do not enable and support the understanding and execution of	3
internal control processes and responsibilities by personnel.	
M = Monitoring	
Ongoing monitoring and supervision are not undertaken to enable an assessment of	1
the effectiveness of internal control over financial reporting.	
Neither reviews by internal audit or the audit committee nor self -assessments are	2
evident.	_
Internal control deficiencies are not identified and communicated in a timely manner to	3
allow for corrective action to be taken.	
Lanen ie. een een een en ee een en een en een e	

36. The municipality did not have a chief financial officer for the past financial year. The deputy financial manager was assisted by consultants to perform the financial reporting function. They were assisted by inexperienced staff from the municipality, resulting in the number of findings raised during the audit. Furthermore, policies, procedures and proper controls were not in place for the year under review, whilst actions to identify and address risks to achieve financial reporting objectives were not taken.

Key governance responsibilities

37. The MFMA tasks the accounting officer with a number of responsibilities concerning financial and risk management and internal control. Fundamental to achieving this is the implementation of key governance responsibilities, which I have assessed as follows:



No.	Matter	Υ	N
Clea	r trail of supporting documentation that is easily available and provided in a		•
time	ly manner		
1.	No significant difficulties were experienced during the audit concerning delays		Ν
	or the availability of requested information.		
Qua	lity of financial statements and related management information		
2.	The financial statements were not subject to any material amendments		Ν
	resulting from the audit.		
3.	The annual report was submitted for consideration prior to the tabling of the	Υ	
	auditor's report.		
Time	eliness of financial statements and management information		
4.	The annual financial statements were submitted for auditing as per the	Υ	
	legislated deadline in section 126 of the MFMA.		
Avai	lability of key officials during audit		
5.	Key officials were available throughout the audit process.		Ν
	elopment and compliance with risk management, effective internal control a	nd	
gove	ernance practices	•	
6.	Audit committee		
	The municipality had an audit committee in operation throughout the	Υ	
	financial year.		
	The audit committee operates in accordance with approved, written terms	Υ	
	of reference.		
	The audit committee substantially fulfilled its responsibilities for the year, as		Ν
	set out in section 166(2) of the MFMA.		
7.	Internal audit		
	The municipality had an internal audit function in operation throughout the	Υ	
	financial year.		
	The internal audit function operates in terms of an approved internal audit		Ν
	plan.		
	The internal audit function substantially fulfilled its responsibilities for the		Ν
	year, as set out in section 165(2) of the MFMA.		
8.	There are no significant deficiencies in the design and implementation of		Ν
	internal control in respect of financial and risk management.		
9.	There are no significant deficiencies in the design and implementation of		Ν
ı	internal control in respect of compliance with applicable laws and regulations.		
10.	The information systems were appropriate to facilitate the preparation of the		N
<u> </u>	financial statements.		
11.	A risk assessment was conducted on a regular basis and a risk management		Ν
	strategy, which includes a fraud prevention plan, is documented and used as		
	set out in section 62(1)(c)(i) of the MFMA.		
12.	Delegations of responsibility are in place, as set out in section 79 of the MFMA.	Υ	
	ow-up of audit findings		
13.	The prior year audit findings have been substantially addressed.		Ν
14.	PPAC/Oversight resolutions have been substantially implemented.	N	/A
	es relating to the reporting of performance information		
15.	The information systems were appropriate to facilitate the preparation of a	Υ	
	performance report that is accurate and complete.	-	
16.	Adequate control processes and procedures are designed and implemented to	Υ	
	ensure the accuracy and completeness of reported performance information.		
17.	A strategic plan was prepared and approved for the financial year under review	Υ	
. .	for purposes of monitoring the performance in relation to the budget and		
	delivery by the City of Matlosana against its mandate, predetermined		
	objectives, outputs, indicators and targets as per section 68 of the MFMA.		
		Υ	1

No.	Matter	Υ	N
	bonuses are only paid after proper assessment and approval by those charged		
	with governance.		

38. There was an overall lack of effective supervision, monitoring and leadership within the municipality, resulting in a poor governance environment.

Late finalisation of the audit report

39. In terms of section 126(3)(b) of the MFMA I am required to submit my report to the municipal manager within three months of the receipt of the financial statements. In the interest of improving accountability and due to the process implemented by me to ensure consistency in the manner in which material audit findings are reported, I have delayed the finalisation of my report to 30 April 2010.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Report on performance information

40. I have reviewed the performance information as set out on pages 92 to 98.

The accounting authority's responsibility for the performance information

41. In terms of section 121(3)(c) of the MFMA, the annual report of a municipality must include the annual performance report of the municipality, prepared by the municipality in terms of section 46 of the Municipal Systems Act, 2000 (Act No. 32 of 2000) (MSA).

The Auditor-General's responsibility

- 42. I conducted my engagement in accordance with section 13 of the PAA read with *General Notice 616 of 2008*, issued in *Government Gazette No. 31057 of 15 May 2008* and section 45 of the MSA.
- 43. In terms of the foregoing my engagement included performing procedures of an audit nature to obtain sufficient appropriate evidence about the performance information and related systems, processes and procedures. The procedures selected depend on the auditor's judgement.
- 44. I believe that the evidence I have obtained is sufficient and appropriate to provide a basis for the audit findings reported below.

Findings on performance information

Existence and functioning of a performance audit committee

45. The municipality did not appoint or budget for a performance audit committee, nor was another audit committee utilised as the performance audit committee, as required by regulation 14(2) of the Municipal Planning and Performance Management Regulations, 2001.

Usefulness and reliability of reported performance information

- 46. The following criteria were used to assess the usefulness and reliability of the information on the municipality's performance with respect to the objectives in its integrated development plan:
 - Consistency: Has the municipality reported on its performance with regard to its objectives, indicators and targets in its approved integrated development plan.
 - Relevance: Is the performance information as reflected in the indicators and targets clearly linked to the predetermined objectives and mandate. Is this specific and measurable, and is the time period or deadline for delivery specified.
 - Reliability: Can the reported performance information be traced back to the source data or documentation and is the reported performance information accurate and complete in relation to the source data or documentation.



The following audit findings relate to the above criteria:

Reported performance information not relevant

- 47. The following key performance indicators and quarterly projected targets with regard to the Directorate: Corporate governance/good governance and public participation were not:
 - specific in clearly identifying the nature and the required level of performance
 - measurable in identifying the required performance

Objectives	Key Performance Indicators	Quarterly Projected Target	Target Date	
	No of policies received by June 2009	Nr of policies Nr of policies	Jun 09	
- 1	No of research notes compiled by June 2009	Nr of notes Nr of notes	Jun 09	
	No of informal advice given by June 2009	Nr of advice Nr of advice	Jun 09	
T		No of programmes		
To ensure institutional capacity to implement programmes established		No of programmes	Jun 09	
and a conducive environment for shared growth created	introduced and implemented by June 2009	No of programmes		
		No of programmes		
		R value awarded		
To ensure institutional capacity to implement programmes established		R value awarded		
and a conducive environment for	awarded by June 2009	R value awarded	Jun 09	
shared growth created		R value awarded		



APPRECIATION

48. The assistance rendered by the staff of the City of Matlosana during the audit is sincerely appreciated.

Luditor General.

Pretoria

7 May 2010



Auditing to build public confidence

CITY OF MATLOSANA

DECLARATION OF THE ACCOUNTING OFFICER

for the year ended 30 June 2008

I am responsible for the preparation of these annual financial statements, which are set out on pages 55 to 98, in terms of Section 126(1) of the Municipal Finance Management Act and which I have signed on behalf of the Municipality.

I certify that the salaries, allowances and benefits of Councillors, as disclosed in note 21 of these annual financial statements are within the upper limits of the framework envisaged in Section 219 of the Constitution, read with the Remuneration of Public Office Bearers Act and the Minister of Provincial and Local Government's determination in accordance with this Act.

M.M. Moadira Municipal Manager 31 August 2009

Date

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E-mail: mmoadira@klerksdorp.org



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CITY OF MATLOSANA -

FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2009

By: Acting Chief Financial Officer (RT Makgale)

I have pleasure in presenting my annual financial report together with the Annual Financial Statements, which are still subject to audit, for the year ended 30 June 2009.

1. INTRODUCTION

During the year under review we continued to improve on financial stability, which forms one of the six strategic pillars for the City of Matlosana. This important focus area is also addressed as part of our Integrated Development Plan (IDP) where objectives and performance indicators for financial management and viability are set, as well as the strategies to achieve them. Although confronted with numerous challenges in this environment, we continue to make progress.

Our plans to improve financial management are ongoing and include, budget reform, the implementation of improved asset registers which is now nearing completion, bringing accounting systems in line with General Accepted Accounting Practices (GAAP), certain Standards of General Recognized Accounting Practices (GRAP) as well as moving towards compliance with International Financial Reporting Standards (IFRS). The performance driven management will further enhance service delivery and is aimed at holding the different divisions of Council accountable for their actions. The results are reported to the public every year and proper oversight exists that will monitor progress and performance. All these measures are aimed at improving effectiveness, efficiency and promote the economical usage of limited resources.

We remain committed to the following basic principles to ensure financial stability that are applied in Council on a regular basis.

- Focus on long and short term financial objectives.
- Maintain sufficient financial liquidity through regular reviews and adjustments to meet normal operating and contingent obligations.
- Apply debt collection policies which ma•imize collection while providing relief to indigent consumers.
- Apply the concept of free basic services to the poor.
- Maintain assets in a responsible manner.
- · Provide a framework for prudent use of debt financing.
- Direct the city's financial resources towards meeting the goals of the city it terms of the Integrated Development Plan (IDP).
- Develop and implement internal controls.



We remain committed to the goals and objectives as explained above and will continue to improve our processes and results as we go along. The main objective of our Municipality however remains the effective service delivery to our constituents for which we must demonstrate performance in key areas as well as stewardship of the assets entrusted to us.

2. PERFORMANCE

We have once again managed to increase our Revenue substantially by 16,7% from R935m to R1,166 m. Our operating cost increased significantly by 46% from R761,6m to R1,122, R3m in the current year. The major contributors to the increase in operating costs are;

- An increase of R78,8m in the bad debt provision
- Bulk electricity purchases that increased by R61,3m and;
- · Employee cost which increased by R26,9m

We note these increases with concern, the causes of which are well published, and will continue to develop strategies to optimise on these expenses. This allowed for a smaller surplus of R53,7m which under the current economical conditions is satisfactory.

As can be expected the reduced surplus and additional commitments had a negative influence on cash flow, resulting in net cash flows from operating activities of only R78,6m as against R196,4m for the previous year. Our working capital position however remains sound with our liquidity ratio at 1.8 (2008: 2.2) and in this regard the municipality will continue to manage its working capital in a prudent manner.

3. PERFORMANCE AGAINST BUDGET

The original budget for the year was approved during May 2008. During the reporting period an adjustment budget was presented and approved by Council. The 2008/09-budget provided for additional resources allocated towards the improvement of service delivery. Information on the original budget as well as the adjusted budget is included in this report as Appendix E.

As indicated above we have performed relatively well during the year under review given the challenging economic environment. Revenue is in line with the Adjusted Budget amount of R1,089,9m, which we have exceeded by 6% or R67,1m. We managed to contain our operating expenses by spending R31, 5m or 2,7% more than the final adjusted budget of R1,143,8m for the 2008/2009 financial year.

The reasons for this performance are numerous and we have alluded to some of the challenges that we are faced with. The effects of the global economic recession materialised during the current financial year. In addition we have seen some of the major businesses in our region such as the mines experience difficulties (Pamodzi and Uranium One) that have a major impact on the economics of the region.

We will, however, continue to assess the various factors that influence our municipality and continue to update our strategies and plans to deal effectively with the changes in our region and ensure that we remain sustainable and achieve all our objectives.

4. STEWARDSHIP OVER ASSETS

We have invested another R188m in infrastructure and assets during the year under review. Our focus will continue to be to improve the infrastructure and facilities available for the residents of Matlosana. The challenges in this regard remain huge with many demands being made for the limited resources at our disposal and therefore we will continue to exercise prudent judgement when determining priorities for e-penditure. Our goals and objectives in



this regard are well documented in the Integrated Development Plan (IDP), which will continue to form the basis for future capital expenditure projects.

5. COMPLIANCE WITH LEGISLATION

The Municipal Finance Management Act (MFMA) is the main piece of legislation that controls financial management and accountability. Huge progress has been made at Matlosana with the implementation of the Act.

A continued effort is being made to ensure full compliance with all relevant legislation, including regulations for example those issued by National Treasury. To this end we have strengthened our internal audit capacity to identify areas of possible non-compliance make recommendations on corrective or preventive actions. These activities are supported by our Audit and Oversight committees that are now fully functional.

6. AUDIT OF THE ANNUAL FINANCIAL STATEMENTS

The statutory audit of the financial statements has already commenced and is expected to be completed by the end of October 2009. In the past we have faced exceptional challenges resulting in a disclaimer of audit opinion by the Auditor General. A concerted effort has been made during the year to address the issues identified by the Auditor General in his report. These efforts will continue and will eventually strengthen our financial management practices and overall viability as a municipality. It is our aim to have an unqualified audit report long before the target date of 2014.

7. GOING CONCERN

The financial position of the City has again improved since the previous year and although outstanding debtors are still a problem, it is managed so that the financial sustainability is not affected negatively. The accumulated provision for bad debts is sufficient to cover for possible bad debts, but the non-payment of services is hampering service delivery and construction of new infrastructure.

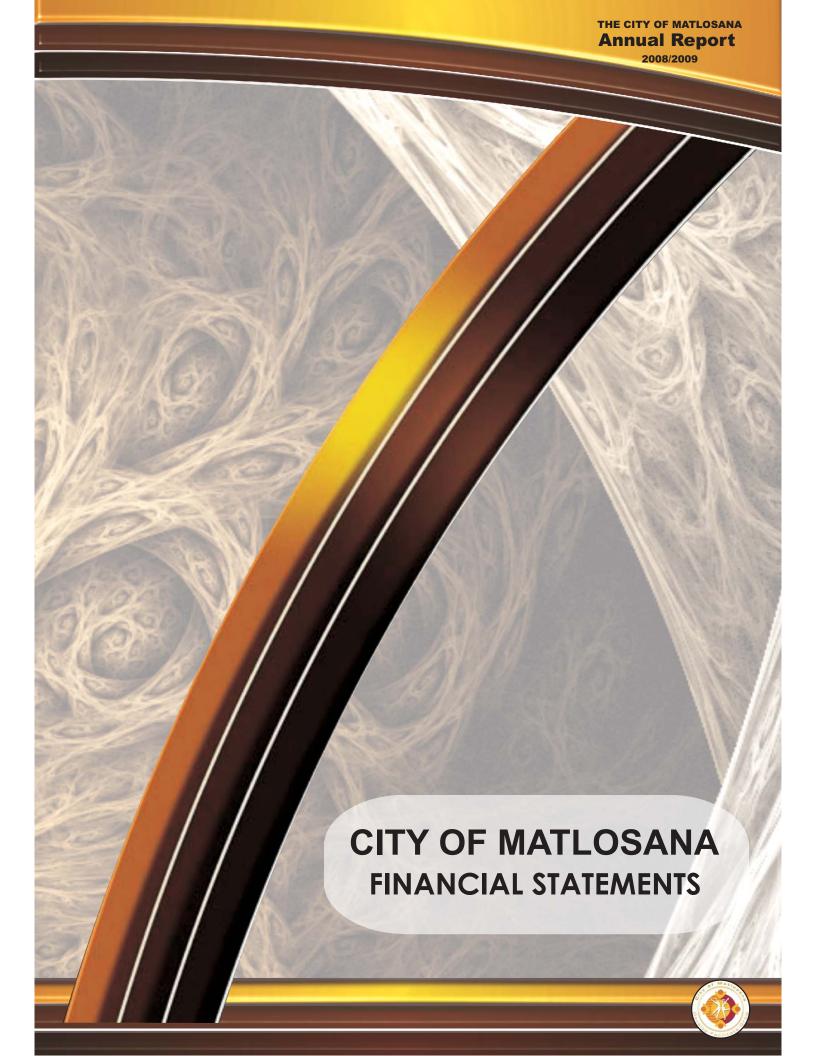
Notwithstanding the non-payment Matlosana can still be seen as a going concern and will also be a going concern for the foreseeable future.

8. EXPRESSION OF APPRECIATION

I am grateful to the Executive Mayor, Mayoral Committee, Municipal Manager, Councillors and Departmental Directors for the support they have given to the department during the 2008/2009 financial year. A special word of appreciation is extended to the finance team for dedication to succeed in producing the Annual Financial Statements on time and in terms of the relevant accounting standards.

RT MAKGALE ACTING CHIEF FINANCIAL OFFICER 31 August 2008





CITY OF MATLOSANA

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2009

Housing Development fund	2 0 08 R		20 09 R	Note	
Housing Development fund					NET ASSETS AND LIABILITIES
Capital Replacement Reserve	873 755 365	87	934 724 690		N et assets
Capitalisation Reserve	5 125 928		5 125 928	1	Housing Development fund
Government Grant Reserve	6 186 913		6 186 913		Capital Replacement Reserve
Donations and Public Contribution Reserve	14 625 869	1	13 975 233		Capitalisation Reserve
Self-Insurance Reserve	422 356 311	4 2	473 370 535		Government Grant Reserve
Ex Gratia Pension Reserve	17 852 539	1	17 852 539		Donations and Public Contribution Reserve
Non-current liabilities 2	13 223 333	1	12 224 735		Self-Insurance Reserve
Non-current liabilities 2	139 091		139 091		Ex Gratia Pension Reserve
Current liabilities	394 245 381	3 9	405 849 716		Accum ulated Surplus/(Deficit)
Current liabilities 161 332 852 1 Consumer deposits 3 18 982 787 Provisions and liabilities 4 12 386 167 Creditors 5 47 091 474 Unspent conditional grants and receipts 6 49 204 469 VAT 7 16 443 511 Bank overdraft 15 6 944 405 Current portion of long-term liabilities 2 10 280 039 Total Net Assets and Liabilities 1211 697 981 12 ASSETS Non-current assets Non-current assets 901 881 109 77 11 697 981 12 12 12 13 57 5833 479 77 14 15 6943 557 17 17 18 19 10 12 058 757 10 12 058 757 10 12 058 757 11 37 119 724 11 37 119 724 12 125 196 672 13 57 542 756 14 10 7 517 817 15 60 944 405 16 49 204 469 17 18 10 7 517 817 18 10 7 517 817 19 10 7 517 817 10 10 7 517 817 11 82 382 668 12 2 382 668 18 2 382 668 18 2 382 668 18 2 382 668 18 2 382 668 18 2 382 668 18 3 382 688 18 3 382 688 18 3 382 688 18 3 382 688 18 3 383 682 19 3 3 57 542 756 10 7 517 817 10 7 517 817 10 7 517 817 11 82 382 668 10 10 10 10 10 10 10 10 10 10 10 10 10 1					Non-current liabilities
Consumer deposits 3	150 493 599	15	115 640 438	2	Long-term liabilities
Provisions and liabilities	195 171 767	19	161 332 852		C urrent li abilities
Creditors 5 47 091 474 Unspent conditional grants and receipts 6 49 204 469 VAT 7 16 443 511 Bank overdraft 15 6 944 405 Current portion of long-term liabilities 2 10 280 039 Total Net Assets and Liabilities 1211 697 981 12 ASSETS Non-current assets 901 881 109 7 Property, plant and equipment 9 875 833 479 7 Investment Properties 9 5 403 557 7 Investments 8 8 585 316 8 Long-term receivables 10 12 058 757 1 Current assets 309 816 872 4 Inventory 11 37 119 724 4 Consumer debtors 12 125 196 672 1 Other debtors 13 57 542 756 1 Current portion of long-term debtors 10 7 517 817 1 Call investment deposts 14 82 382 668 2	17 931 354	1	18 982 787	3	C on sumer deposits
Unspent conditional grants and receipts VAT 7 16 443 511 Bank overdraft 15 6 944 405 Current portion of long-term liabilities 2 10 280 039 Total Net Assets and Liabilities 1211 697 981 12 ASSETS Non-current assets Property, plant and equipment 9 875 833 479 Investment Properties 9 5 403 557 Investments 8 8 585 316 Long-term receivables 10 12 058 757 Current assets 10 12 058 757 Current debtors 11 37 119 724 Consumer debtors 12 125 196 672 Other debtors 13 57 542 756 Current portion of long-term debtors 10 7 517 817 Call investment deposits 14 82 382 668	8 884 528		12 386 167	4	Provisions and liabilities
VAT 7 16 443 511 Bank overdraft 15 6 944 405 Current portion of long-term liabilities 2 10 280 039 Total Net Assets and Liabilities 1211 697 981 12 ASSETS Non-current assets 901 881 109 7 Property, plant and equipment 9 875 833 479 7 Investment Properties 9 5 403 557 7 Investments 8 8 585 316 8 Long-term receivables 10 12 058 757 1 Current assets 309 816 872 4 Inventory 11 37 119 724 2 Consumer debtors 12 125 196 672 1 Other debtors 13 57 542 756 1 Current portion of long-term debtors 10 7 517 817 1 Call investment deposits 14 82 382 668 2	41 191 196	4	47 091 474	5	C red ito rs
Bank overdraft	88 234 971	8	49 204 469	6	Unspent conditional grants and receipts
Current portion of long-term liabilities 2 10 280 039 Total Net Assets and Liabilities ASSETS Non-current assets 901 881 109 7 Property, plant and equipment 9 875 833 479 7 Investment Properties 9 5 403 557 9 Investments 8 8 585 316 8 Long-term receivables 10 12 058 757 10 Current assets 309 816 872 4 Inventory 11 37 119 724 11 Consumer debtors 12 125 196 672 12 Other debtors 13 57 542 756 1 Current portion of long-term debtors 10 7 517 817 1 Call investment deposits 14 82 382 668 2	19 780 483	1	16 443 511	7	VAT
Total Net Assets and Liabilities	8 68 6 90 0		6 944 405	15	Bank overdraft
A SSETS Non-current assets 901 881 109 7 Property, plant and equipment 9 875 833 479 7 Investment Properties 9 5 403 557 9 Investments 8 8 585 316 8 8 585 316 10 12 058 757 Current assets 309 816 872 4 4 Inventory 11 37 119 724 12 125 196 672 1 Other debtors 12 125 196 672 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	10 462 334	1	10 280 039	2	Current portion of long-term liabilities
N on-current assets 901 881 109 7 Property, plant and equipment 9 875 833 479 7 Investment Properties 9 5 403 557 8 Investments 8 8 585 316 10 12 058 757 Current assets 309 816 872 4 4 Inventory 11 37 119 724 2 Consumer debtors 12 125 196 672 1 Other debtors 13 57 542 756 1 Current portion of long-term debtors 10 7 517 817 2 Call in vestment deposits 14 82 382 668 2	219 420 731	121	1211 697 981		Total Net Assets and Liabilities
Property, plant and equipment 9 875 833 479 7 Investment Properties 9 5 403 557 8 Investments 8 8 585 316 10 12 058 757 Current assets 10 12 058 757 11 37 119 724 11 Consumer debtors 12 125 196 672 12 125 196 672 14 15 196 672 16 196 672 16 196 672 17 19 75 17 817 18 19 75 17 817 18 19 75 17 817 18 19 75 17 817 18 19 75 17 817 18 19 75 17 817 18 19 75 17 817 18 19 75 17 817 18 19 75 17 817 18 19 75 17 817 18 19 75 17 817 18 19 75 17 817 18 19 75 17 817 18 19 75 17 817 18 19 75 17 817 18 19 75 17 817 18 19 75 17 817 18 19 75 17 817 18 19 75 17 817 18 19 75 17 817 18 19 75 17 817 18 19 75 17 817 18 19 75 17 817 18 19 75 17 817 18 19 75 17 817 18 19 75 17 817 18 19 75 17 817 18 19 75 17 817 18 19 75 17 817 18 19 75 17 817 18 19 75 17 817 18 19 75 17 817 18 19 75 17 817 18 19 75 17 817 18 19 75 17 817 18 19 75 17 817 18 19 75 17 817 18 19 75 17 817 18 19 75 17 817 18 19 75 17 817 18 19 75 17 817 <td< td=""><td></td><td></td><td></td><td></td><td>ASSETS</td></td<>					ASSETS
Investment Properties 9 5 403 557	788 064 911	7 8	901 881 109		Non-current assets
Investments	752 508 851	7 5	875 833 479	9	Property, plant and equipment
Current assets 309 816 872 4 Inventory 11 37 119 724 Consumer debtors 12 125 196 672 Other debtors 13 57 542 756 1 Current portion of long-term debtors 10 7 517 817 1 Call in vestment deposits 14 82 382 668 2	5 392 196		5 40 3 557	9	Investment Properties
C urrent assets 309 816 872 4 Inventory 11 37 119 724 C onsumer debtors 12 125 196 672 Other debtors 13 57 542 756 1 C urrent portion of long-term debtors 10 7 517 817 1 C all in vestment deposits 14 82 382 668 2	7 80 9 11 9		8 585 316	8	Investments
Inventory 11 37 119 724 Consumer debtors 12 125 196 672 Other debtors 13 57 542 756 1 Current portion of long-term debtors 10 7 517 817 C all investment deposits 14 82 382 668 2	22 354 744	2	12 058 757	10	Long-term receivables
C onsumer debtors 12 125 196 672 O ther debtors 13 57 542 756 1 C urrent portion of long-term debtors 10 7 517 817 C all investment deposits 14 82 382 668 2	431 355 821	43	309 816 872		Current assets
O ther debtors 13 57 542 756 1 C urrent portion of long-term debtors 10 7 517 817 C all in vestment deposits 14 82 382 668 2	27 006 013	2	37 119 724	11	Inventory
C urrent portion of long-term debtors 10 7 517 817 C all in ve stment deposits 14 82 382 668	60 197 113	6	125 196 672	12	C on su m e r de bto rs
Call investment deposits 14 82 382 668 2	118 203 327	11	57 542 756	13	O ther debtors
	293 749		7 517 817	10	Current portion of long-term debtors
Bank balances and cash 15 57 235	225 596 384	22	82 382 668	1 4	C all investment deposits
	59 235		57 235	15	Bank balances and cash
Total Assets 1211 697 981 12	219 420 731	121	1211 697 981		Total Assets



CITY OF MATLOSANA

STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2009

		Actual		
	Note	2009	2008	
		R	R	
REVENUE				
Property rates	16	130 747 800	113 043 795	
Service charges	17	491 499 399	420 182 649	
Market dues		10 739 908	10 811 206	
Administration fees		1 746 120	2 354 804	
Dividends		4 921	6 550	
Rental of facilities and equipment		6 002 706	7 774 228	
Interest earned - external investments		25 231 578	30 499 126	
Interest earned - outstanding debtors		43 560 113	38 723 868	
Fines		5 918 332	2 906 901	
Licenses and permits		4 203 022	4 458 475	
Grants and subsidies	18	232 980 359	265 231 991	
Other income	19	213 376 846	37 695 500	
Gains on disposal of property, plant and equipment		0	949 461	
Total Revenue		1 166 011 104	934 638 554	
EXPENDITURE				
Employee related costs	20	252 864 527	225 995 000	
Remuneration of Councillors	21	13 469 187	12 271 679	
Bad debts (Contribution to Provisions)		125 227 465	46 452 168	
Collection costs		8 282 418	5 605 256	
Depreciation		62 795 068	50 292 722	
Repairs and maintenance		48 691 642	30 871 690	
Interest paid	22	16 330 417	19 831 689	
Bulk purchases	23	260 185 810	198 928 124	
Contracted services		22 502 302	8 641 842	
Grants and subsidies paid		0		
General expenses	24	299 613 397	162 702 656	
Loss on disposal of property, plant and equipment	9	2 302 422	0	
Total Expenditure		1 112 264 655	761 592 826	
SURPLUS/(DEFICIT)		53 746 449	173 045 728	
SURPLUS/(DEFICIT) FOR THE YEAR		53 746 449	173 045 728	
Refer to Appendix E(1) for explanation of variances				

STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30 JUNE 2009

	Pre-Gamap	Ex Gratia Pension	Capital Replacement	Self insurance	Housing Development	Government Grants and	Donations and public Contribution	Capitalisation	Accumulated Surplus/	
	Reserves and Funds	Reserve R	Reserve R	Reserve R	Fund R	Reserves R	Reserve R	Reserve R	(Deficit) R	Total R
2008 Balance at 1 July 2007 Implementation of GRAP (Note 27) Change in accounting policy (Note 27)		139 091	6 166 410	13 803 554	6 230 166	321 126 161	17 852 539	15 276 505	322 376 497	702 970 923
Restated balance	0	139 091	6 166 410	13 803 554	6 230 166	321 126 161	17 852 539	15 276 505	322 376 497	702 970 923
Surplus/(deficit) for the year Surplus/(deficit) for the previous year Transfer to CRR			22 360 117						173 045 728 (2 261 287) (22 360 117)	173 045 728 (2 261 287) 0
Property, plant and equipment purchased Capital grants used to purchase PPE			(22 339 614)		(4.04.038)	124 004 693			22 339 614 (124 004 693) 1 104 238	000
r ayıncıns Insurance Claims processed Offsetting of degradation				(580 221)	(000 +01 -1)	(99 774 543)		(850 636)	580 221	00+
Balance at 30 June 2008	0	139 091	6 186 913	13 223 333	5 125 928	422 356 311	17 852 539	14 625 869	394 245 381	873 755 365
5009										
Restated balance	0	139 091	6 186 913	13 223 333	5 125 928	422 356 311	17 852 539	14 625 869	394 245 381	873 755 365
Surplus/(deficit) for the year									53 746 449	53 746 449
Surplus (deficit) for the previous year Transfer to CRR			62 903 913						(62 903 913)	0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0
Capital grants used to purchase PPE Donated/contributed PPE			(62 903 913)			81 045 179			(81 045 179)	0 0
Insurance claims processed				(869 866)					865 866	0
Asset disposals Offsetting of depreciation						(30 030 955)		(650 636)	(2 302 422) 30 681 591	(2 302 422)
Balance at 30 June 2008	0	139 091	6 186 913	12 224 735	5 125 928	473 370 535	17 852 539	13 975 233	405 849 716	934 724 690

CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2009

	Note/ App.	2009 R	2008 R
CASH FLOW FROM OPERATING ACTIVITIES			
Cash generated from/(utilised in) operations	25	18 883 392	147 023 510
Interest received Interest paid Other reserves	22	68 791 691 (16 330 417)	69 222 994 (19 831 689)
NET CASH FROM OPERATING ACTIVITIES		71 344 666	196 414 815
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment Proceeds on disposal of property, plant and equipment (Increase)/decrease in non-current receivables Increase in non-current investments Decrease in call investment deposits		(188 353 654) 0 10 295 987 (776 197)	(185 263 773) 1 402 163 373 090 (833 904)
NET CASH FROM INVESTING ACTIVITIES		(178 833 864)	(184 322 423)
CASH FLOWS FROM FINANCING ACTIVITIES			
New loans raised/(repaid) Decrease/(increase) in short-term loans Increase in consumer deposits NET CASH FROM FINANCING ACTIVITIES		(35 035 456) 0 1 051 434 (33 984 022)	(9 737 304) 1 253 988 (8 483 316)
NET INCREASE(DECREASE) IN CASH AND CASH EQUIVALENTS		(141 473 221)	3 609 076
Cash and cash equivalents at the beginning of the year Cash and cash equivalents at the end of the year	26	216 968 719 75 495 498	213 359 645 216 968 719
	'		



ACCOUNTING POLICIES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

1. BASIS OF PRESENTATION

The annual financial statements have been prepared on the accrual basis of accounting and are in accordance with historical cost convention.

These annual financial statements have been prepared in accordance with Generally Recognised Accounting Practice (GRAP), in accordance with Section 122(3) of the Municipal Finance Management Act, (Act No.56 of 2003). These accounting policies are consistent with those of the previous financial year.

Accounting policies for material transactions, events or conditions not covered by the above GRAP Standards have been developed in accordance with paragraphs 7, 11 and 12 of GRAP 3. These accounting policies and the applicable disclosures have been based on the South African Statements of Generally Accepted Accounting Practices (SA GAAP) including any interpretations of such Statements issued by the Accounting Practices Board.

A summary of the significant accounting policies, which have been consistently applied except where an exemption has been granted, are disclosed below.

2. PRESENTATION CURRENCY

These annual financial statements are presented in South African Rand.

3. GOING CONCERN ASSUMPTION

These annual financial statements have been prepared on a going concern basis.

4. OFFSETTING

Assets, liabilities, revenues and expenses have not been offset except when offsetting is required or permitted by a Standard of GRAP.

5. HOUSING DEVELOPMENT FUND

The Housing Development Fund was established in terms of the Housing Act, (Act No. 107 of 1997). Loans from national and provincial government used to finance housing selling schemes undertaken by the Municipality were extinguished and transferred to a Housing Development Fund.

The Housing Act prescribes that the utilisation of this fund and all proceeds from housing developments, which include rental income and sales of houses, must be paid into the Housing Development Fund. Monies standing to the credit of the Housing Development Fund can only be used to finance housing developments within the municipal area subject to the approval of the Provincial MEC responsible for housing.

6. RESERVES

6.1. CAPITAL REPLACEMENT RESERVE (CRR)

In order to finance the provision of infrastructure and other items of property, plant and equipment from internal sources, amounts are transferred from the accumulated surplus to the



Capital Replacement Reserve (CRR) in terms of a Council resolution. An amount equal to the actual spending from CRR is contributed to the CRR from the Accumulated Surplus/ (Deficit) to finance the expenditure.

The following conditions are set for the creation and utilization of the CRR:

- The cash that backs the CRR is invested in a designated CRR investment account until utilised. The cash may only be invested in accordance with the investment policy.
- Interest earned on the CRR is recorded as interest earned in the Statement of Financial Performance and may be appropriated to the CRR.
- The CRR may only be utilised for the purpose of purchasing items of property, plant and equipment and may not be used for the maintenance of these items.
- When the items of property, plant and equipment are purchased from the CRR, the CRR
 is reduced by the amount of property, plant and equipment purchased from the CRR
 and the accumulated surplus is credited by a corresponding amount. The designated
 CRR investment account is adjusted accordingly.

6.2. CAPITALISATION RESERVE

Resulting from the implementation of GAMAP/GRAP, the balance on certain funds, created in terms of the various Provincial Ordinances applicable at the time, that had historically been utilised for the acquisition of items of property, plant and equipment, have been transferred to a Capitalisation Reserve in terms of a directive (budget circular) issued by National Treasury. The purpose of this Reserve is to promote community equity by ensuring that the future depreciation e-penses that will be incurred over the useful lives of these items of property, plant and equipment are offset by transfers from this reserve to the accumulated surplus.

The balance on the reserve equals the carrying value of the items of property, plant and equipment financed from the former legislative funds. When these items of property, plant and equipment are depreciated, an equivalent amount is transferred from the Capitalisation Reserve to the accumulated surplus.

When an item of property, plant and equipment is disposed of, the balance in the Capitalisation Reserve relating to such an item is transferred to the accumulated surplus.

6.3. GOVERNMENT GRANT RESERVE

When items of property, plant and equipment are financed from government grants, a transfer is made from the accumulated surplus to the Government Grant Reserve equal to the value of the Government Grant recorded as revenue in the Statement of Financial Performance. This transfer is in terms of a directive issued by National Treasury (MFMA circular No. 18 dated 23 June 2005). When such items of property, plant and equipment are depreciated, an equivalent amount is transferred from the Government Grant Reserve to the accumulated surplus. The purpose of this policy is to promote community equity by ensuring that the future depreciation e-penses that will be incurred over the useful lives of government grant funded items of property, plant and equipment, are offset by transfers from this reserve to the accumulated surplus.

When an item of property, plant and equipment financed from government grants is disposed, the balance in the Government Grant Reserve relating to such item is transferred to the accumulated surplus.



6.4. DONATIONS AND PUBLIC CONTRIBUTIONS RESERVE

When items of property, plant and equipment are financed from public contributions and donations, a transfer is made from the accumulated surplus to the Donations and Public Contributions Reserve equal to the donations and public contributions recorded as revenue in the Statement of Financial Performance. This transfer is in terms of a directive issued by National Treasury (MFMA circular No. 18 dated 23 June 2005). When such items of property, plant and equipment are depreciated, an equivalent amount is transferred from the Donations and Public Contributions Reserve to the accumulated surplus. The purpose of this policy is to promote community equity and facilitate budgetary control by ensuring that sufficient funds are set aside to offset the future depreciation charges that will be incurred over the estimated useful life of the item of property, plant and equipment financed from donations and public contributions.

When an item of property, plant and equipment financed from Donations and Public Contribution reserves grants is disposed of, the balance in the Donations and Public Contributions Reserve relating to such item is transferred to the accumulated surplus.

6.5. SELF INSURANCE RESERVE

The Municipality operates a Self-Insurance Reserve to set aside amounts to offset potential losses or claims that are not fully insured externally. The balance of the Self-Insurance Reserve is based on estimated insurance risk carried by the Municipality. The contribution towards the Reserve is made from the operating account. The balance of the self-insurance fund is invested in short-term cash investments.

Own claims are settled by transferring a corresponding amount from the self-insurance reserve to the accumulated surplus.

6.6. Ex-Gratia Pension Reserve

The Municipality operates an Ex-gratia pension fund with the purpose to provide an ex-gratia amount to employees who do not have membership of a pension fund at retirement. The contributions towards the Reserve are made from the operating account. The balance of the Exgratia pension fund is invested in cash investments.

7. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment, is stated at cost, less accumulated depreciation. Heritage assets, which are culturally significant resources and which are shown at cost, are not depreciated owing to the uncertainty regarding their estimated useful lives. Similarly, land is not depreciated as it is deemed to have an indefinite life.

Where items of property, plant and equipment have been impaired, the carrying value is adjusted by the impairment loss, which is recognised as an expense in the period that the impairment is identified.

Depreciation is calculated on cost, using the straight-line method over the estimated useful lives of the assets. The annual depreciation rates are based on the following estimated asset lives:



INFRASTRUCTURE	YEARS	OTHER	YEARS
D 1 1D 1	40.00	D 315	00
Roads and Paving	10-30	Buildings	30
Electricity	20-30	Other vehicles	3-20
Water	15-20	Office equipment	5-10
Sewerage	15-20	Furniture and fittings	7-10
Specialised plant and		Other items of plant and	
equipment	5-15	equipment	3-15

The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying value and is recognised in the Statement of Financial Performance.

The cost of an item of property, plant and equipment acquired in exchange for a non-monetary asset or monetary assets, or a combination of monetary and non-monetary assets was measured at its fair value. If the acquired item could not be measured at its fair value, its cost was measured at the carrying amount of the asset given up.

Subsequent expenditure relating to property, plant and equipment is capitalised if it is probable that future economic benefits or potential service delivery of the asset are enhanced in excess of the originally assessed standard of performance. If expenditure only restores the originally assessed standard of performance, then it is regarded as repairs and maintenance and is expensed.

Where the carrying amount of an item of property, plant and equipment is greater than the estimated recoverable amount it is written down immediately to its recoverable amount and an impairment loss is charged to the Statement of Financial Performance.

8. INVESTMENTS

8.1 FINANCIAL INSTRUMENTS

Financial instruments, which may include listed government bonds, unlisted municipal bonds, fixed deposits and short-term deposits invested in registered commercial banks, are stated at cost.

Where investments have been impaired, the carrying value is adjusted by the impairment loss, which is recognised as an expense in the period that the impairment is identified.

On disposal of an investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the Statement of Financial Performance.

8.2 INVESTMENT IN MUNICIPAL ENTITIES

Investments in municipal entities under the ownership control of the Municipality are carried at cost of invested amount.



9 INVENTORIES

Inventories consist of Consumables, raw materials, work-in-progress and finished goods, which are valued at the lower of cost or net realisable value. In general, the basis of determining cost is the first-in, first-out method.

The value of the Faan Meintjes Reserve is based on 100% of the current realisable value as at 30 June annually.

Land developed for re-sale within one year is classified as an inventory item. The value of the stands is calculated at: Councils resolution Rand per square metre or Municipal valuation.

Cost of inventories comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Redundant and slow moving inventories are identified and written down from cost to net realisable value with regard to their estimated economic or realisable values. Consumables are written down with regard to their age, condition and utility.

10 LEASES

Leases are classified as finance leases where substantially all the risks and rewards associated with ownership of an asset are transferred to Council.

Property, plant and equipment subject to finance lease agreements are capitalised at their cash cost equivalent and the corresponding liabilities are raised. The cost of the item of property, plant and equipment is depreciated at appropriate rates on the straight-line basis over the estimated useful life.

Lease finance costs are expensed when incurred.

Operating leases are those leases which do not fall within the scope of the above definition. Operating lease rentals are expensed as they become due.

11 ACCOUNTS RECEIVABLE

Accounts receivable are carried at anticipated realisable value. An estimate is made for doubtful receivables based on a review of all outstanding amounts at year-end. Bad debts are written off during the year in which they are identified. Amounts that are receivable within 12 months from the reporting date are classified as current.

12 TRADE CREDITORS

Trade creditors are stated at their nominal value.

13 REVENUE RECOGNITION

13.1 REVENUE FROM EXCHANGE TRANSACTIONS

Service charges relating to electricity and water are based on consumption. Meters are read on a monthly basis and revenue is recognised in the period during which the consumption took place. Provisional estimates of consumption are made monthly when meter readings have not been performed. The provisional estimates of consumption are recognised as revenue when invoiced. Adjustments to provisional estimates of consumption are made in the invoicing period in which meters have been read. These adjustments are recognised as revenue in the invoicing period. Revenue from the sale of electricity prepaid meter cards are recognised at the point of sale.

Service charges relating to refuse removal are recognised on a monthly basis in arrears by applying the approved tariff to each property. Tariffs are determined per category of property



usage, and are levied monthly based on removal once per week.

Service charges from sewerage and sanitation are based on the number of sewerage connections on each developed property using the tariffs approved from Council and are levied monthly.

Interest and rentals are recognised on a time proportion basis that takes into account the effective yields on assets.

Revenue arising from the application of the approved tariff of charges is recognised when the relevant service is rendered by applying the relevant gazetted tariff. This includes the issuing of licences and permits.

Revenue from the sale of goods is recognised when the risk is passed to the consumer.

Revenue from public contributions is recognised when all conditions associated with the contribution have been met or where the contribution is to finance property, plant and equipment, when such items of property, plant and equipment are brought into use. Where public contributions have been received but the municipality has not met the condition, a liability is recognised

13.2 REVENUE FROM NON-EXCHANGE TRANSACTIONS

Revenue from property rates is recognised when the legal entitlement to this revenue arises. Collection charges are recognised when such amounts are legally enforceable. Penalty interest on unpaid rates is recognised on a time proportion basis.

Fines constitute both spot fines and summonses. Revenue from spot fines and summonses is recognised when payment is received.

Donations are recognised on a cash receipt basis or where the donation is in the form of property, plant and equipment, when such items of property, plant and equipment are brought into operation.

Revenue from the recovery of unauthorised, irregular, fruitless and wasteful expenditure is based on legislated procedures, including those set out in the Municipal Finance Management Act (Act No. 56 of 2003) and is recognised when the recovery thereof from the responsible councillors or officials is virtually certain.

14 CONDITIONAL GRANTS AND RECEIPTS

Revenue received from conditional grants, donations and funding is recognised as revenue to the extent that the Municipality has complied with all of the criteria, conditions or obligations embodied in the agreement. To the extent that the criteria, conditions or obligations have not been met, a liability is recognised.

15 PROVISIONS

Provisions are recognised when the Municipality has a present or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the provision can be made. Provisions are reviewed at reporting date and adjusted to reflect the current best estimate.

The provision for the accumulated leave of staff that is redeemable complies with the definition of a provision. Additional notes on the detail of the provision as well as the total liability are



reflected in the Annual Financial Statements.

16 CASH AND CASH EQUIVALENTS

Cash includes cash on hand and cash with banks. Cash equivalents are short-term highly liquid investments that are held with registered banking institutions with maturities of three months or less and are subject to an insignificant risk of change in value.

For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand, deposits held on call with banks and investments in financial instruments, net of bank overdrafts.

Bank overdrafts are recorded based on the facility utilised. Finance charges on bank overdraft are expensed as incurred.

17 UNAUTHORISED EXPENDITURE

Unauthorised expenditure is expenditure that has not been budgeted, expenditure that is not in terms of the conditions of an allocation received from another sphere of government, municipality or organ of state and expenditure in the form of a grant that is not permitted in terms of the Municipal Finance Management Act (Act No. 56 of 2003). Unauthorised expenditure is accounted for as an expense in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

18 IRREGULAR EXPENDITURE

Irregular expenditure is expenditure that is contrary to the Municipal Finance Management Act (Act No. 56 of 2003), the Municipal Systems Act (Act No. 32 of 2000), the Public Office Bearers Act (Act No. 20 of 1998) or is in contravention of the Municipality's supply chain management policy. Irregular expenditure excludes unauthorised expenditure. Irregular expenditure is accounted for as expenditure in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

19 FRUITLESS AND WASTEFUL EXPENDITURE

Fruitless and wasteful expenditure is expenditure that was made in vain and would have been avoided had reasonable care been exercised. Fruitless and wasteful expenditure is accounted for as expenditure in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

20 COMPARATIVE INFORMATION

20.1 CURRENT YEAR COMPARATIVES:

Budgeted amounts have been included in the annual financial statements for the current financial year.



20.2 PRIOR YEAR COMPARATIVES:

When the presentation or classification of items in the annual financial statements is amended, prior period comparative amounts are reclassified. The nature and reason for the reclassification is disclosed.

21 BORROWING COSTS

Borrowing costs are recognised as an expense in the Statement of Financial Performance.

22 CASH FLOW STATEMENT

For the purpose of the cash flow statement, cash and cash equivalents comprise of cash on hand, deposits held on call with banks and investments in financial instruments, net of bank overdraft.

23 RETIREMENT BENEFITS

Councillors and employees as well as Council contribute to the following pension and provident funds, which provide retirement benefits to such Councillors and employees:

Municipal Employees Gratuity Fund SALA Pension Fund

Pension Fund for Municipal Councillors SAMWU provident Fund

National Fund for Municipal Workers Municipal Employees Pension Fund

Actuarial valuations are done as follows:

Municipal Employees Gratuity Fund: Actuarial valuation is done every 2 years

Pension Fund for Municipal Councillors: Actuarial valuation is done every 3 years

National Fund for Municipal Workers: Not required to do actuarial valuation

Municipal Employees Pension Fund: Actuarial valuation is done every 2 years

SAMWU provident Fund: Not required to do actuarial valuation

SALA Pension Fund: Actuarial valuation is done every 3 years

Council does not operate or are not involved in a guaranteed benefit pension scheme. The above schemes are only based on guaranteed contributions from the side of the Employer.



NOTES TO THE ANNUAL FINANCIAL STATEMENT FOR THE YEAR ENDED 30 JUNE 2009

	2009	2008
HOUSING DEVELOPMENT FUND	R	R
Housing Development Fund	5 125 928	5 125 9
Unappropriate Surplus	5 125 928	5 125 9
Loans extinguished by Government on 1 April 1998		
The Housing Development Fund is represented by the following	-	
assets and liabilities		
Bank and cash	5 125 928	5 125 9
Sub-total	5 125 928	5 125 9
Total Housing Development Fund Assets and Liabilities	5 125 928	5 125 9

LONG-TERM LIABILITIES	2009 R	2008 R
Annuity Loans	125 920 477	160 955 93
Sub-total	125 920 477	160 955 93
Less : Current portion transferred to current liabilities Local Registered Stock Loans	10 280 039	10 462 33
Annuity Loans	10 280 039	10 462 33
Total External Loans	115 640 438	150 493 59

	2009	2008
3 CONSUMER DEPOSITS	R	R
Electricity and Water	18 982 787	17 931 354
Total Consumer Deposits	18 982 787	17 931 354
Guarantees held in lieu of Electricity and Water Deposits	1 926 198	1 906 198
Guarantees held in lieu of debtors for the Fresh Produce Market	400 000	400 000

	2009 R	2008 R
PROVISIONS AND LIABILITIES		
Staff leave	12 386 167	8 884 52
Total Provisions and liabilities	12 386 167	8 884 528
The movement in current provisions and liabilities are reconciled as follows:		
4.1 Staff Leave		
Balance at beginning of year	8 884 528	14 506 83
Contributions to provisions	0	(
Expenditure incurred	3 501 639	(5 622 302
Balance at end of year	12 386 167	8 884 52

Redemption of leave during the financial period under review was R1 863 399 (2008 - R 5 622 302).

CREDITORS	20 09 R	20 08 R
Trade creditors	84 934	84 934
O ther creditors	26 3 85 833	25 90 5 88
Payment received in advance	16 3 36 352	10 95 8 162
S uspense accounts	4 2 84 355	4 24 2 219
To tal Creditors	47 0 91 474	41 19 1 19

	20 09 R	20 08 R
6 UNSPENT CONDITIONAL GRANTS AND RECEIPTS		
6.1 Conditional Grants from other spheres of Government	49 0 58 253	88 234 971
District Municipality Environmental (see note 18.3)	62 541	-2,752,968
MIG Grants (see note 18.4)	25714240	35,333,39
Provincial LED Projects (see note 18.5)	5 183	668,01
Provincial Capital Grants (see note 18.6)	18242 938	58,865,40
National Electricity Regulator (see note 18.7)	3 45 490	345,49
Finance Management Grant (see note 18.8)	2 00 821	726,10
Department of Water Affairs (see note 18.10)	1 5 00 000	608,60
Provin cial Government Grants (see note 18.11)	2 6 4 5 0 7 2	3,239,56
District Municipality Grants (see note 18.12)	63 032	-8,170,41
Anglo Gold Ashanti Capital Grants (see note 18.15)	278 935	-628,22
6.2 Other Conditional Receipts	146 216	
Development Bank of South Africa (see note 18.9)	1 46 216	
To tal Conditional Grants and Receipts	49204469	88 234 97
	20 09	20 08
	R	R
7 VAT	4 C 4 42 544	40.700.40
VAT payable	16443 511	19 780 48
VAT is payable on the cash basis.		

	20 09 R	20 08 R
8 INVESTMENTS		
Unlisted.		
Senwes	0	57 202
	0	57 202
Financial Instruments		
Fixed Deposits	8 5 85 316	7 751 917
Total Cash Investments	8 5 8 5 3 1 6	7 751 917
To tal In ves tments	8 5 8 5 3 1 6	7 809 119
Valuation of unlisted investments		
Sen wes	0	57 202
	0	57 202
Allocation of external investments:		
In terms of legislation, surplus cash is invested until used for specific purposes. Investments are allocated on the following basis:-		
Redemption of Long-Term Liability (Maturing June 2019)	7 7 5 1 9 1 7	7 751 917
Accumulated Surplus/(Deficit)	8 33 399	57 202
To tal	8 5 8 5 3 1 6	7 809 119

NOTES TO THE ANNUAL FINANCIAL STATEMENT FOR THE YEAR ENDED 30 JUNE 2009

9.1 PROPERTY, PLANT AND EQUIPMENT

Reconciliation of Carrying Value	Land and Buildings	Infrastructure	Community	Heritage	Other	Total
, ,	R	R	R	R	R	R
Carrying values at 1 July 2008	119,605,294	534,326,699	49,355,624	1,485,811	47,724,061	752,497,489
Cost	148,239,548	740,107,842	73,102,081	1,570,536	198,407,180	1,161,427,187
Correction of error	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-
Accumulated depreciation	(28,634,254)	(205,781,143)	(23,746,456)	(84,725)	(150,683,119)	(408,929,697)
- Cost	(28,634,254)	(205,781,143)	(23,746,456)	(84,725)	(150,683,119)	(408,929,697)
- Revaluation	-	-	-	-	-	-
Acquisitions	18,960,097	120,808,677	5,979,826	-	42,605,054	188,353,654
Capital under Construction	· · · -	-		-	-	-
Increases/decreases in revaluation	-	-	-	-	-	-
Depreciation	(3,404,151)	(39,539,173)	(2,436,293)	-	(17,415,452)	(62,795,068)
- based on cost	(3,404,151)	(39,539,173)	(2,436,293)	-	(17,415,452)	(62,795,068)
- based on revaluation	-	-	-	-	-	-
Carrying value of disposals	-	(2,302,422)	-	-	79,826	(2,222,597)
Cost/revaluation	(1,460)	(2,351,710)	(719)	-	(471,266)	(2,825,155)
Accumulated depreciation	1,460	49,288	719	-	551,092	602,559
Impairment losses	-	-	-	-	-	-
Other movements	-	-	-	-	-	-
Carrying values at 30 June 2009	135,161,240	613,293,781	52,899,158	1,485,811	72,993,489	875,833,479
Cost	167,198,185	858,564,810	79,081,188	1,570,536	240,540,968	1,346,955,686
Revaluation	-	-	-	-	-	-
Accumulated depreciation	(32,036,945)	(245,271,029)	(26,182,030)	(84,725)	(167,547,479)	(471,122,207)
Cost	(32,036,945)	(245,271,029)	(26,182,030)	(84,725)	(167,547,479)	(471,122,207)
Revaluation	-	-	-	-	-	-

Reconciliation of Carrying Value	Land and Buildings	Infra- structure	Community	Heritage	Other	Total
	R	R	R	R	R	R
Carrying values at 1 July 2007	103,518,532	423,907,217	43,291,385	1,485,811	45,787,556	617,990,501
Cost	129,432,633	597,322,100	64,894,443	1,570,536	190,796,693	984,016,405
Correction of error						-
Revaluation						-
Accumulated depreciation	(25,914,101)	(173,414,883)	(21,603,058)	(84,725)	(145,009,137)	(366,025,904)
- Cost - Revaluation	(25,914,101)	(173,414,883)	(21,603,058)	(84,725)	(145,009,137)	(366,025,904)
Acquisitions	18,774,527	142,834,471	8,207,638		15,447,137	185,263,773
Seperation Inventory from Assets						-
Capital under Construction						-
Increases/decreases in revaluation	/ / //				//	
Depreciation	(2,702,644)	(32,383,234)	(2,143,807)	-	(13,063,036)	(50,292,721)
based on costbased on revaluation	(2,702,644)	(32,383,234)	(2,143,807)	-	(13,063,036)	(50,292,721)
Carrying value of disposals	-	-	-	-	452,702	452,702
Cost/revaluation					(7,841,630)	(7,841,630)
Accumulated depreciation					7,388,928	7,388,928
Impairment losses						-
Other movements						
Carrying values at 30 June 2008	119,590,415	534,358,454	49,355,216	1,485,811	47,718,955	752,508,851
Cost	148,207,160	740,156,571	73,102,081	1,570,536	198,402,200	1,161,438,548
Revaluation	-	-	-	-	-	-
Accumulated depreciation	(28,616,745)	(205,798,117)	(23,746,865)	(84,725)	(150,683,245)	(408,929,697)
Cost	(28,616,745)	(205,798,117)	(23,746,865)	(84,725)	(150,683,245)	(408,929,697)
Revaluation	-	-	-	-	-	-

NOTES TO THE ANNUAL FINANCIAL STATEMENT FOR THE YEAR ENDED 30 JUNE 2009

PROPERTY, PLANT AND EQUIPMENT - continued 9.2 INVESTMENT PROPERTIES	2009 R	2008 R
Cost	5 403 557	5 392 196
Total Investment Properties	5 403 557	5 392 196

	2009	2008
	R	R
10 LONG-TERM RECEIVABLES		
Bursary loans	334 217	442 129
Sport bodies	312 397	330 591
High tension connections	3 398	9 622
Abattoir	7 280 000	10 280 000
Sale of Housing Stands	1 694 939	2 352 385
Housing houses	9 951 623	9 233 766
	19 576 574	22 648 493
Less: Short-term portion transferred to current assets	7 517 817	293 749
Bursary loans	215 890	270 210
Abattoir	7 280 000	0
Sport bodies	18 529	17 803
High tension connections	3 398	5 736
Total	12 058 757	22 354 744

BURSARY/STUDY LOANS

Different loan schemes were in place. Loans were granted to officials and public for study purposes at various interest rates and repayable over a maximum period of 5 years. In terms of MFMA no new loans may be granted.

SPORT BODIES

Different loan schemes are in place for various sporting bodies. The interest rates fluctuate between 5% to 15% repayable over a period from 5 years to 20 years. The MFMA also stopped this practice.

HIGH TENSION CONNECTIONS

Council does not grant any high tension loans as it is now prohibited by the MFMA. High tension loans were previously granted to public who made applications to the Council. The maximum loan amount was R 35 000. Loans were determined at 15% interest rate and repayable over a period of 60 months.

SALE OF HOUSING STANDS

Stands were sold to public and this practice has also been prohibited by the MFMA. Sale of stands were determined at 15% interest rate repayable over a period of 60 months

SALE OF HOUSES

Houses were sold to public and this practice is also prohibited by the MFMA. Sale of houses were determined at 15% interest rate repayable over a period of 60 months



NOTES TO THE ANNUAL FINANCIAL STATEMENT FOR THE YEAR ENDED 30 JUNE 2009

2009 R	2008 R
30 741 006	21 310 959
161 091	188 679
3 626 113	3 415 451
424 971	708 732
2 166 544	1 382 193
37 119 724	27 006 013
	30 741 006 161 091 3 626 113 424 971 2 166 544

The amount disclosed in these financial statements reflects water stock as at 30 June 2009 calculated based on the buying cost. See note 28.6 for inventory shortages and surpluses.

2 C ONSUMER DEBTORS	Gross	Provision for	
A s at 30 Jun e 2009	Balances	Bad Debts	Net Balance
Service debtors	625 545 052	500 348 380	125 196 67
Rates	118 607 875	93 902 878	24 70 4 99
E le ctricit y	47 433 490	25 8 52 741	21 58 0 74
Water	125 993 612	101 605 773	24 38 7 8
Sewerage	58 395 310	47 844 737	10 55 0 5
Refuse	57 224 186	47 769 957	9 454 22
Other debtors	217 890 579	183 372 294	34 518 28
	625 545 052	500 348 380	125 196 67
Payments in advance			16 33 6 3
To tal		=	
To tal A s at 30 Jun e 2008	536 893 169	476 6 96 056	108 860 32
To tal	536 893 169 100 944 445	476 696 056 78 907 416	60 197 1 22 037 0
Total As at 30 June 2008 Service debtors Rates			108 860 32 60 197 1
Total As at 30 June 2008 Service debtors	100 944 445	78 907 416	60 197 1 22 037 0 17 351 7
To tal As at 30 June 2008 Service debtors Rates Electricity	100 944 445 35 656 676	78 9 07 416 18 3 04 948	60 197 1 22 037 07
Total As at 30 June 2008 Service debtors Rates Electricity Water	100 944 445 35 656 676 98 537 456	78 907 416 18 304 948 76 371 308	60 197 1 22 037 0 17 351 7 22 166 1 10 116 0
Total As at 30 June 2008 Service debtors Rates Electricity Water Sewerage	100 944 445 35 656 676 98 537 456 52 008 411	78 907 416 18 304 948 76 371 308 41 892 402	60 197 1 22 037 0 17 351 7 22 166 1
Total As at 30 June 2008 Service debtors Rates Electricity Water Sewerage Refuse	100 944 445 35 656 676 98 537 456 52 008 411 49 463 323	78 9 07 416 18 3 04 948 76 3 71 3 08 41 8 92 4 02 40 7 46 4 96	60 197 1 22 037 0 17 351 7 22 166 1 10 116 0 8 716 8 (20 190 6
Total As at 30 June 2008 Service debtors Rates Electricity Water Sewerage Refuse	100 944 445 35 656 676 98 537 456 52 008 411 49 463 323 200 282 859	78 907 416 18 304 948 76 371 308 41 892 402 40 746 496 220 473 486	60 197 1 22 037 0 17 351 7 22 166 1 10 116 0 8 716 8

Rates : Ageing			2009	2008
Rates : Ageing			R	R
0 (0 00 1)			0.054.400	2 222 24
Current (0 - 30 days)			8 951 462	8 990 24
31 - 60 Days			4 090 498	3 193 73
61 - 90 Days			2 766 115	2 442 50
90+ Days		_	102 799 801	86 317 95
Total		_	118 607 875	100 944 447
Electricity, Water, Refuse, Sewerage and other debtors : Ageing				
Current (0. 20 days)			35 628 207	33 713 78
Current (0 - 30 days)				
31 - 60 Days			14 440 908	11 667 58
61 - 90 Days			11 839 382	10 983 96
90+ Days		_	445 028 679	409 845 56
Total		-	506 937 177	466 210 89
Housing rentals : Ageing				
Current (0 - 30 days)			(158 467)	3 594 56
31 - 60 Days			119 857	297 20
61 - 90 Days			119 132	294 48
90+ Days			10 227 199	16 769 49
Total		-	10 307 722	20 955 74
		_		20 000 1
Summary of Debtors by Customer Classification	Consumers	Industrial/	National and	Other
30 June 2009	Consumers	Commercial	Provincial	Other
30 Julie 2009		Commercial		
	_	_	Government	_
	R	R	R	R
Current (0 - 30 days)	38 480 927	6 103 958	1 173 405	737 25
31 - 60 Days	16 924 446	2 630 965	370 713	523 31
61 - 90 Days	13 436 525	1 947 929	229 681	589 49
90+ Days	588 863 172	44 669 687	2 736 862	41 115 23
Total by Customer	657 705 071	55 352 539	4 510 661	42 965 30
Summary of Debtors by Customer Classification	Consumers	Industrial/	National and	<u>Other</u>
Summary of Debtors by Customer Classification 30 June 2008	Consumers	Industrial/ Commercial	National and Provincial	<u>Other</u>
	Consumers		Provincial	<u>Other</u>
	<u>Consumers</u>			Other R
30 June 2008	R	Commercial R	Provincial Government R	R
30 June 2008 Current (0 - 30 days)	R 36 350 505	Commercial R 5 147 269	Provincial Government R 1 468 994	R 737 25
30 June 2008 Current (0 - 30 days) 31 - 60 Days	R 36 350 505 12 736 128	Commercial R 5 147 269 1 284 622	Provincial Government R 1 468 994 317 256	R 737 25
30 June 2008 Current (0 - 30 days) 31 - 60 Days 61 - 90 Days	R 36 350 505 12 736 128 11 584 577	R 5 147 269 1 284 622 1 018 536	Provincial Government R 1 468 994 317 256 233 858	R 737 25 523 31 589 48
30 June 2008 Current (0 - 30 days) 31 - 60 Days	R 36 350 505 12 736 128	Commercial R 5 147 269 1 284 622	Provincial Government R 1 468 994 317 256	



	2009 R	20 08 R
13 OTHER DEBTORS		
Unauthorized expenditure (see Note 32.1)	34 995	34 995
Fruitless and wasteful expenditure (see Note 32.2)	161 958	161 958
Insurance claims	2 682 221	3 237 689
Housing (Internal Loan)	11000000	11 000 000
Provincial health subsidies	0	2 807 991
District Municipality Environmental Health	0	1 455 508
Payment made in a dvan œ	125 265	125 265
Market	2 4 2 1 4 0 7	1 833 350
Dep Eskom	319 953	(
Dep Petrol Twaranang	500	(
Housing rentals	17 9 17 800	14 793 684
Receivables	7 4 30 045	(
Housing Debtors	3 255 715	(
Sundry Debtors	92 523 219	82 040 645
Suspense accounts	4 3 54 100	712 241
Less: Provision for Bad Debts	(84 684 421)	(
To tal Other Debtors	57 542 756	118 203 327

	2009 R	20 08 R
CALL IN VESTMENT DEPOSITS	K	K
Other Deposits	82 382 668	225 596
Allocation of external investments		
In terms of legislation, surplus cash is invested until used for specific		
purposes. Investments are allocated on the following basis:-		
Ex Gratia Pension Reserve	139 091	139
Capital Replacement Reserve	6 1 86 913	6 186
Unspent conditional grants and receipts	40 444 110	88 234
Self Insurance Fund	12 224 735	13 223
Housing Development Fund	5 1 25 928	5 125
Accumulated (Deficit) / Surplus	18 261 891	112 686
To tal	82 382 668	225 596

	2009 R	2008 R
BANK, CASH AND OVERDRAFT BALANCES	ĸ	ĸ
The Municipality has the following bank accounts:		
Current Account (Primary Bank Account)		
ABSA Bank - Church street Klerksdorp		
Account Number : 4060008684		
Cash book balance at beginning of year	1 061 564	7 682
Cash book balance at end of year	488 509	1 061
Bank statement balance at beginning of year	7 381 874	7 790
Bank statement balance at end of year	717 576	7 381
ABSA Bank - Church street Klerksdorp		
Account Number : 01000100176		
Cash book balance at beginning of year	(10 639 931)	21 463
Cash book balance at end of year	(7 568 490)	(10 639
•		,
Bank statement balance at beginning of year	50 333 230	27 765
Bank statement balance at end of year	26 787 113	50 333
ABSA Bank - Church street Klerksdorp		
Account Number : 950164379 (Stadsraad Water)		
Cash book balance at beginning of year - overdrawn	1 694 394	2 697
Cash book balance at end of year	1 888 824	1 694
Cash book balance at end of year	1 000 024	1 034
Bank statement balance at beginning of year	1 701 951	2 732
Bank statement balance at end of year	1 962 116	1 701
ABSA Bank - Church street Klerksdorp		
Account Number : 950000090 (Market)		
Cash book balance at beginning of year	(800 514)	699
Cash book balance at end of year	(1 750 836)	(800
out book building at one of your	(1700 000)	(000
Bank statement balance at beginning of year	74 058	1 583
Bank statement balance at end of year	1 777 236	74
ABSA Bank - Church street Klerksdorp		
Account Number : 4059133084 (Mayor's Golf Day)		
Cash book balance at beginning of year	(2 413)	66
Cash book balance at end of year	(2413)	(2
•		
Bank statement balance at beginning of year	2 778	71
Bank statement balance at end of year	174	2
CASH ADVANCES		
Petty Cash	57 235	59
Total Cash Advances	57 235	59
Total Cash balances	(6 944 405)	(8 686
Total Overdrafts balances	(0 344 400)	(0000
Total Cash and overdrafts balances	(6 944 405)	(8 686